



Investors Awareness Program

Overview of Securities Market
& Mutual Fund Investment

Celebrating
145TH

Years of
Wealth Creation

THE WORLD'S FASTEST EXCHANGE WITH A SPEED OF 6 MICROSECONDS

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What is money?

- *Money doesn't buy happiness; money buy choices . It is what you do with those choices that makes you happy”*
- *If you buy things that you do not need, soon you will have to sell things that you need ”*
- **HENCE, VERY IMPORTANT HOW WE MANAGE OUR MONEY**

Who is financially literate?

- A person with financial literacy skills, who can take informed financial decisions.
- Who can effectively plan for various Life Goals.
- Does not fall prey to financial frauds.
- Who can Achieve financial wellbeing

How many Indians are financially literate?

- Gender: Male (23%) & Female (16%)
- Location: Rural (15%) & Urban (25%)
- Education: Up to Class X (19%)
- Education: Graduate and above (35%)
- Age: 18-24 years (17%)
- Overall, 20% Indians are found to be financially literate.

Saving V/s Investment

- Saving is excess of Income over Expenditure
 - Beat **Inflation**
 - **Real Return**
 - Savings needs to be invested for generating income/
creation of asset/wealth
 - **Risk Reward** Relationship
 - Power of **Compounding**
-

Basic Features of Asset Classes

Asset Class	Return	Safety	Liquidity	Recurring/ Incidental/ Storing Costs	Investment Size	Periodic Income	Tax Exemption
PPF	Low	High	Low	Low	Low	No	Yes
Bank FD	Low	High	High	Low	Low	No	No
Insurance	Medium	High	Low	Low	Medium	No	Yes
Gold	Medium	Low	High	Medium	Low	No	No
Land/ Flat	High	Low	Low	High	High	Yes	No
Equity/MF	High	Low	High	Low	Low	Yes	Yes

Stock Market

Role of Capital Market in Indian Economy

- Capital Market **Channelizes the savings in to investment** .
- It **provides opportunity for the public to invest** their savings in attractive securities which provide a higher return.
- It **enables the country to achieve economic growth** as capital formation is promoted through the capital market.
- Capital market is the **barometer of the economy** by which you are able to study the economic conditions of the country and it enables the government to take suitable action.
- Capital market **provides opportunities for different institutions** **such** as Commercial banks, mutual funds, investment trust; etc., to earn a good return on the investing funds.

- **Investor should have**
 - Bank Account with a Bank
 - Demat Account with a Depository Participant
 - Trading Account with a Broker

Depository

- WHO CAN OPEN THE DEMAT ACCOUNT

▪ **Beneficial Owners (BO)**

Investor who have opened a demat account with the depository
PAN / Aadhar card is mandatory for opening of demat account

- Individuals
- HUF – Hindu Undivided Family - Karta
- Minor – By Guardian
- Corporate (Private Limited Company/Public Limited Company)
- Trust - (Registered)
- Bank
- FII – (Registered with SEBI)

▪ **Nomination – Name of the nominee is must for a Demat Account.**

Depository

- WHO CAN OPEN THE DEMAT ACCOUNT

- **Depository Participant (DP)**

A “Depository Participant” (DP) is an agent of the depository who is authorized to offer depository services to investors.

- Banks, Public financial Institutions, Stock Brokers, NBFCs, Registrar & Transfer Agents can act as DPs.

Depository

– Additional Information for investors

▪ e-Voting & m-Voting

- First in India to launch the e-Voting facility for shareholders
- Enables shareholders to cast their ballot anytime-anywhere
- Automated system which records votes and gives results instantaneously
- E-Voting at the AGM Venue

▪ Electronic Consolidated Account Statement (eCAS)

- Investors are able to view their entire investments in Mutual Funds and securities held in demat A/c in a single eCAS sent by CDSL
- Dispatch of Electronic Statements

How to Select a stock broker (Members of the stock exchange) / depository participant (DP)?

- **SEBI registered intermediary** : Check on SEBI website for current registration status
- **Track record** : Any tainted past or involved in scams / Number of investor complaints pending / Any cases pending against him – arbitration , legal proceedings with stock exchange or SEBI
- **Fast and accurate order execution** : Number of marketing officers and telephone lines to handle orders
- Own depository services
- Services like online trading , mutual fund advisory etc.
- Charges / commission

Primary & Secondary Stock Market

- Investors can invest in the Stock Market through IPOs/FPOs of Companies.
- Fixed Price Offering or Book building issue
- Enables Issuers to Mobilize savings from investors for their projects / expansion resulting in development of economy, employment, tax collection, creation of wealth.
- Subsequently these securities get listed and traded on the stock exchanges.

Invest in IPO through ASBA = Application Supported by Blocked Amount

ASBA is an application containing an authorization to block the application money in the bank account, for subscribing to an issue. If an investor is applying through ASBA, his application money shall be debited from the bank account only if his/her application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed

- Share application money will be earmarked and block in your bank a/c.
- After allotment of share in your demat A/c, money will move from your bank a/c.

BENEFITS

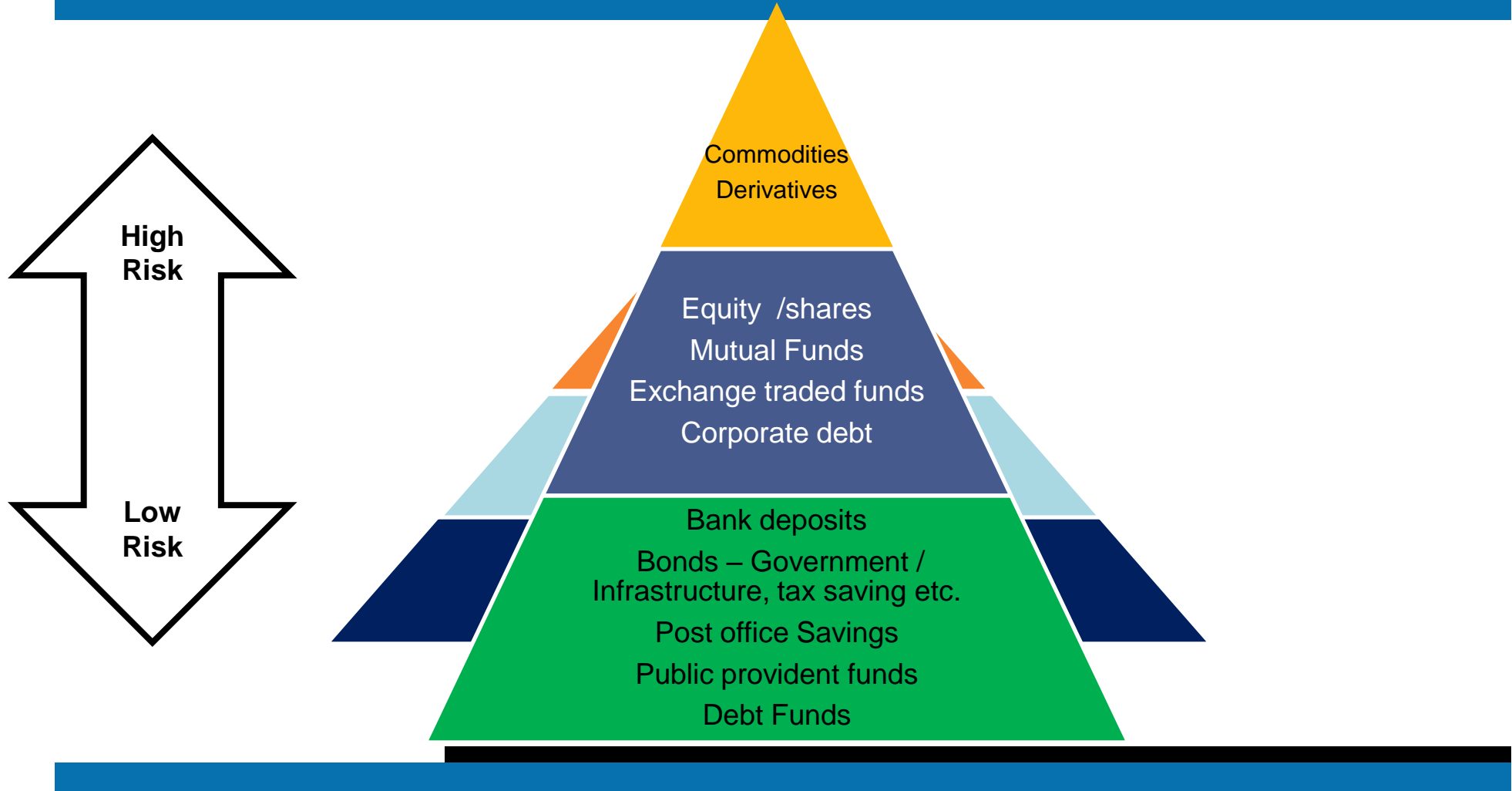
- No need to pay money by cheque
- Amount charged for shares allotted
- Easy refund
- Application form is simpler
- 5 Applications from 1 Bank Account
- Interest on Application amount

- **BSE provides transparent electronic trading platform for purchase and sell of Securities in the Secondary Market.**
- Its an ONLINE ANONYMOUS SCREEN BASED TRADING PLATFORM for buyers and sellers to deal in the Listed/Permitted securities listed on the Exchange at a FAIR PRICE (Market Driven).
- The Exchange ensures settlement of trades between buyers and sellers at the appointed time.
- Trading without counter party risk.

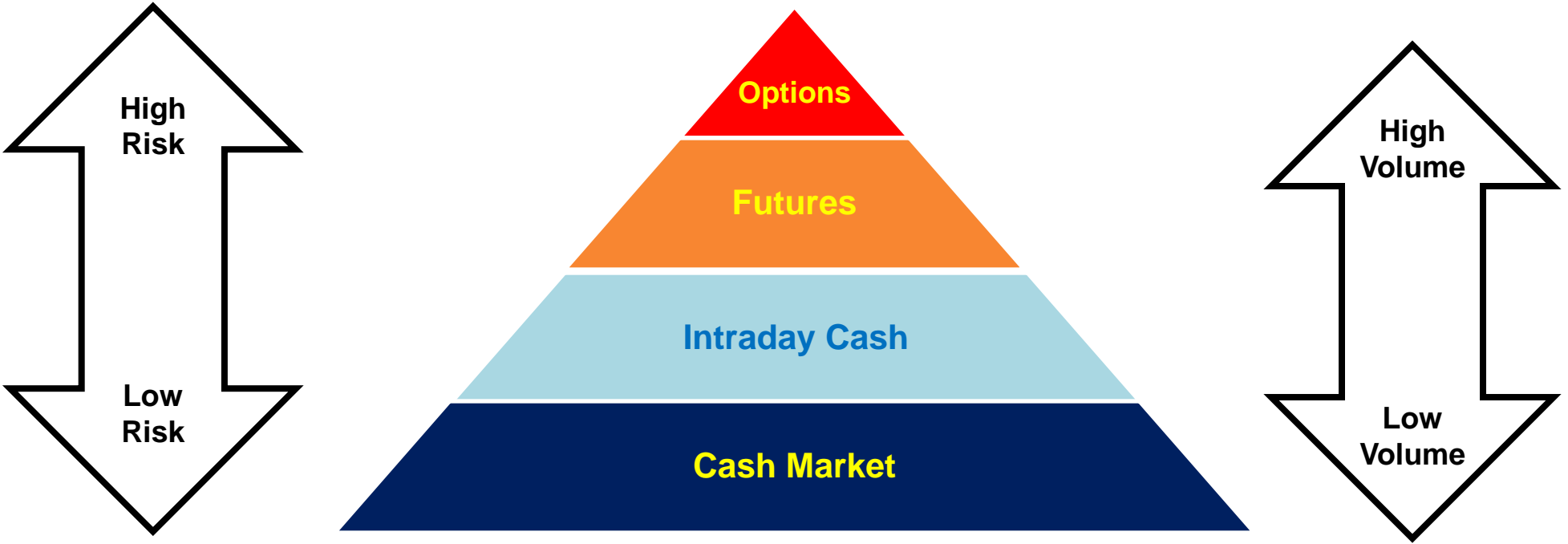
Trading & Settlement

- Settlement is conducted on T+2 basis.
- Trading Sessions conducted from Monday to Friday between 9.15 a.m to 3.30 p.m
- Securities traded on the Exchange have been classified into groups -
 - - M, 'MT' Group – SME Stocks
 - - A Group - Companies with High Liquidity and High Volume
 - - F group - Debt market segment
 - - G Group - Government Securities
 - - T Group - Surveillance Measure
 - - Z Group - Non-Compliance Companies

Type of Investments



Type of Trading

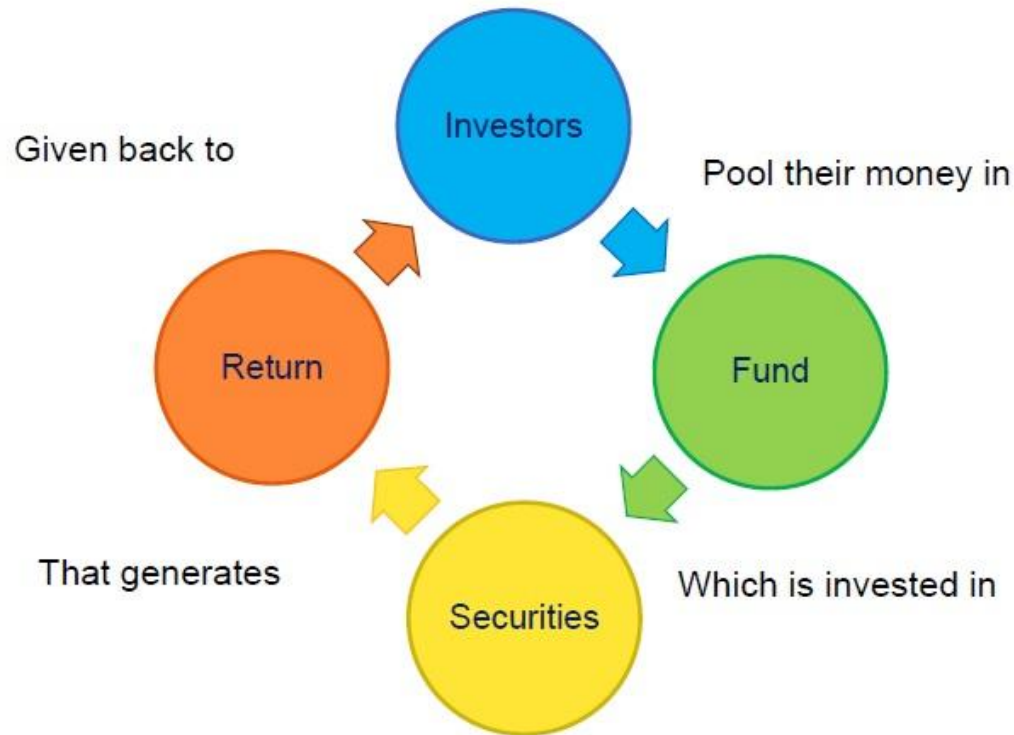


Fundamentals to look at while investing in Equities

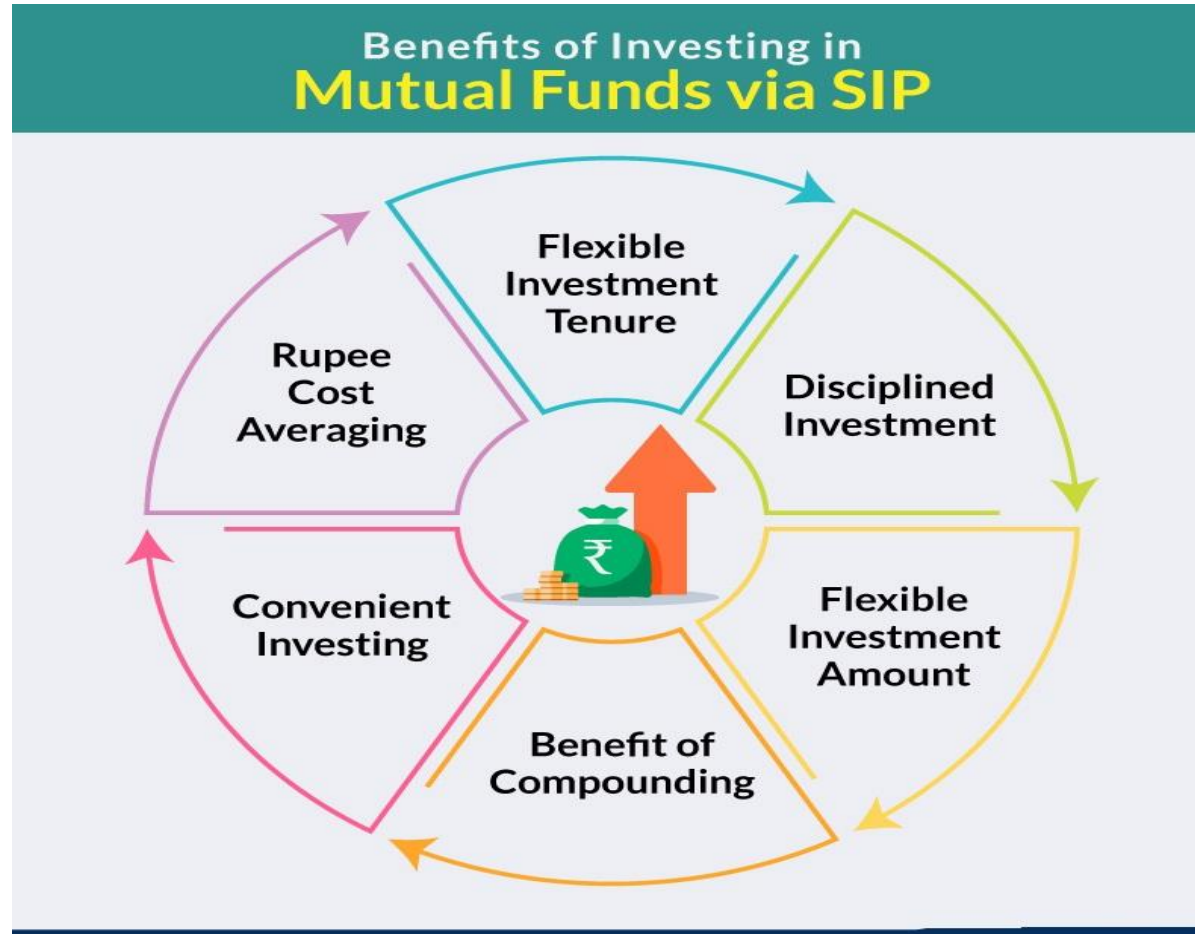
- Reputation of Promoters & their Stake in the Company
- Scope/Growth/Competition/Profitability/Structure of Industry to which the Company belongs
- Position of company in its Industry
- Financials of the Company including EPS, PE, Book Value etc.
- Free Cash Flows from operations
- Past Growth track record of sales turnover & profitability of the company
- Dividend Payout & Dividend Yield
- Debt of the Company
- Corporate Governance Track
- Valuation of the Company compared to its peers

Mutual Funds - Features

MUTUAL FUND OPERATION FLOW CHART



Mutual Funds - Features



Mutual Fund – Type of Schemes

Scheme Type - Investment

Equity	Collection	Options	Other Scheme Plans
<ul style="list-style-type: none"> - Sectoral - Indices Based - Thematic - Tax Saving (ELSS) 	<ul style="list-style-type: none"> - Open Ended - Close Ended 	<ul style="list-style-type: none"> - Growth - Dividend - Dividend Reinv. 	<ul style="list-style-type: none"> - Direct - Lump Sum - Regular (SIP)
Debt / Money Market	Collection	Options	Other Scheme Plans
<ul style="list-style-type: none"> - Liquid - Short Term - Long Term 	<ul style="list-style-type: none"> - Open Ended - Close Ended 	<p>=====</p> <ul style="list-style-type: none"> - Dividend - Dividend Reinv. 	<ul style="list-style-type: none"> - Direct - Lump Sum - Regular (SIP)
Hybrid/Balanced			
Gold		=====	

- Deal with only SEBI Registered Brokers
- Give Clear & unambiguous instructions
- Keep record of all instructions
- Receive copies of all KYC documents executed with broker
- Receive Contract Notes within 24 hours
- Use normal banking channels for payment to Broker
- Receive money & securities within 1 working day of the payout from the broker
- Receive Statement of account for funds & securities from broker
- Receive trade alerts through SMS/email directly from the Exchange

Don'ts for Investors

- **Don't forget to take note of the risks involved in an investment**
- **Don't execute any document with broker without fully understanding its terms and conditions**
- **Don't fall pray to unrealistic / guaranteed returns**
- **Don't get carried away with advertisements about the financial performance of companies in print and electronic media**
- **Don't blindly follow media reports on corporate developments, as some of these could be misleading**
- **Don't deal based on rumours or 'tips'**
- **Don't hesitate to approach concerned persons and then the appropriate authorities**

- BSE provides Investor Grievance Redressal Mechanism for complaints against Companies and Brokers/ Sub brokers.
- Currently IGRC & Arbitration facility is available in 24 cities across India.
- BSE provides IGRC, Arbitration as well as Appeal facility which is quasi judicial dispute resolution mechanism
 - Fast (Time bound)
 - Award binding on parties
 - For claim upto Rs. 10 lakhs, arbitration fee is Exempt for Investor
 - Exchange sets aside award amount, if award is in favour of Investor
- Advance payment to investors for pending matters through IPF.



USA

UK

France

Rome

Singapore

Australia

SENSEX

The BSE index the world tracks

BSE SENSEX - Sector Wise Market Capitalization 2015 Vs 2018

2015			2018			2020		
Sl. No	SENSEX/Sectors	Free Float Market Capitalisation%	Sl. No	SENSEX/Sectors	Free Float Market Capitalisation %	Sl. No	SENSEX/Sectors	Free Float Market Capitalisation %
	S&P BSE SENSEX	100		S&P BSE SENSEX	100		S&P BSE SENSEX	100
1	Finance	31.83	1	Finance	40.3	1	Finance	39.36
2	Information Technology	16.01	2	Information Technology	12.57	2	Information Technology	15.82
3	FMCG	11.4	3	Transport Equipments	10.54	3	Oil & Gas	15.31
4	Transport Equipments	10.85	4	Oil & Gas	10.46	4	FMCG	10.68
5	Oil & Gas	8.8	5	FMCG	9.66	5	Transport Equipments	4.34
6	Capital Goods	6.77	6	Capital Goods	4.74	6	Telecom	3.47
7	Healthcare	5.68	7	Power	2.84	7	Capital Goods	2.92
8	Metal, Metal Products & Mining	4.71	8	Metal, Metal Products & Mining	2.55	8	Power	2.01
9	Telecom	2	9	Healthcare	2.46	9	Chemical & Petrochemical	1.97
10	Power	1.95	10	Chemical & Petrochemical	1.56	10	Healthcare	1.32
			11	Telecom	1.44	11	Housing Related	1.1
			12	Transport Services	0.9	12	Consumer Durables	1.05
						13	Metal, Metal Products & Mining	0.66

S&P BSE SENSEX

Sector Wise Market Capitalisation as of 2018

2020 – FEB			2021 - Feb		
S.No.	SENSEX/Sectors	Free Float Market Capitalisation %	S.No.	SENSEX/Sectors	Free Float Market Capitalisation %
	S&P BSE SENSEX	100		S&P BSE SENSEX	100
1	Finance	39.36	1	Finance	42.01
2	Information Technology	15.82	2	Information Technology	17.38
3	Oil & Gas	15.31	3	Oil & Gas	14.82
4	FMCG	10.68	4	FMCG	8.61
5	Transport Equipments	4.34	5	Transport Equipments	4
6	Telecom	3.47	6	Capital Goods	2.64
7	Capital Goods	2.92	7	Telecom	2.37
8	Power	2.01	8	Chemical & Petrochemical	2.1
9	Chemical & Petrochemical	1.97	9	Power	1.95
10	Healthcare	1.32	10	Consumer Durables	1.15
11	Housing Related	1.1	11	Housing Related	1.15
12	Consumer Durables	1.05	12	Healthcare	1.12
13	Metal, Metal Products & Mining	0.66	13	Metal, Metal Products & Mining	0.69

- **Equity**
- **Derivatives (Futures & Options)**
- **Currency Derivatives**
- **Commodity Derivatives**
- **Interest Rate Derivatives**
- **Debt (Corporate/Wholesale/Bonds)**
- **Mutual Funds/ETFs (BSE StAR MF Platform)**
- **BSE SME Platform**

- Most popular web site of the Capital Market
- Focal point for information dissemination
- Site provides information ranging from
- **Trade information** - Live prices & Volumes across all segments
- **Corp. information**- Quarterly Results & Shareholding Patterns of BSE listed companies
- Real time Corporate announcements
- **BSE Plus** - Personal Portfolio Management (Valuation)/Watch list etc.
- New Features are added on continuous basis so as to convert data into useful information
- **Trade Verification facility available for Investors**
- Website available on Mobile & Tabs as a Application

Website: WWW.bseindia.com Most popular web site of Capital Market



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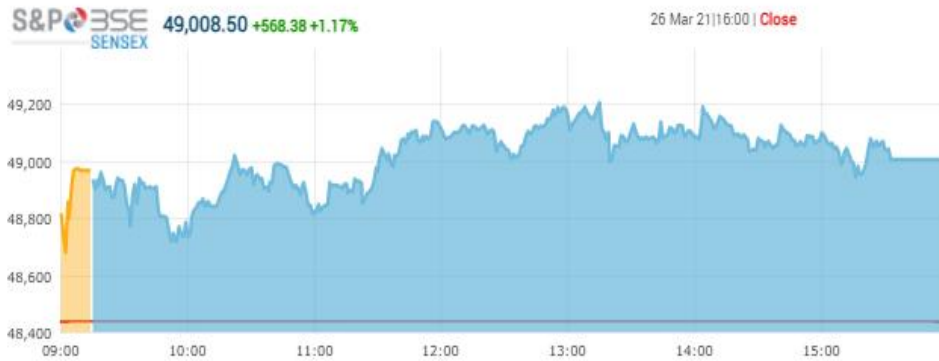
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Equity ▾

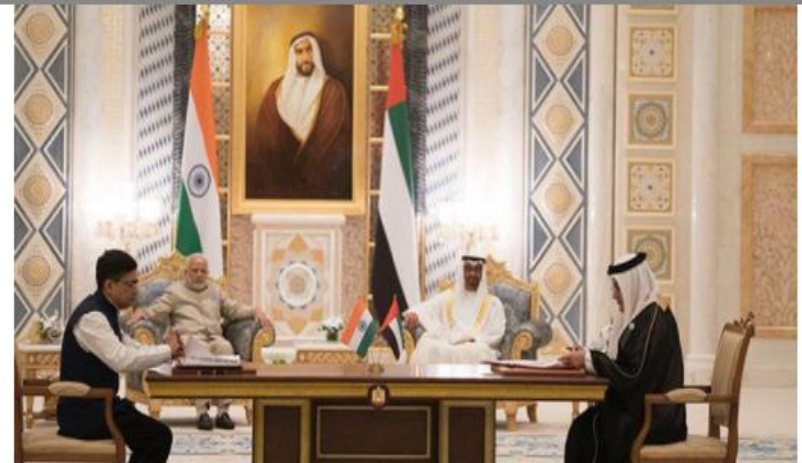
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Shri Ashishkumar Chauhan, MD & CEO, BSE & Shri Rashed Abdul Karim Al Blooshi, CEO, ADX signing the MoU

Shri Ashishkumar Chauhan, MD & CEO, BSE & Shri Rashed Abdul Karim Al Blooshi, CEO, ADX signing the MoU in presence of Hon'ble Shri Narendra Modi & H.H. Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi

Indices Gainers Losers Top Turnover Trending Listings Corporate Announcements

Thank You

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