सत्यमेव जयते
Ministry of Corporate Affairs
Government of India

Primer for
First-time and Existing Investors

Investor Awareness Programmes

Organized

Under the aegis of
Investor Education and Protection Fund

By

THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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INVESTOR EDUCATION AND PROTECTION FUND

Investor Education and Protection Fund (IEPF), managed by the Ministry of Corporate Affairs, has been established, under the Companies Act, 1956* for the promotion of investors awareness, and the protection of their interests. Activities undertaken by the IEPF include educating and creating awareness among investors through seminars and media, and funding projects pertaining to investor education awareness and protection.

iepf.gov.in

MCA website iepf.gov.in fulfils the need for an information resource for small investors on all aspects of the capital market, and does it in the small investors' language.

This website presently covers information on IPO Investing, Mutual Fund Investing, Stock Trading, Depository Account, Debt Market, Derivatives, Indices, Index Funds, Investor Grievances & Arbitration (Stock Exchanges), Investor Rights & Obligations, Do's and Don'ts, etc.

Become an Informed Investor

Many investors, especially the small investors, do not often possess adequate expertise/ knowledge to take informed investment decisions. Many of them are not aware of the risk-return profiles of various investment products. A large number of investors are not fully aware of the precautions they should take while dealing with the market intermediaries. Many are not familiar with the market mechanisms and practices as well as with their rights and obligations. These are substantially fuelled by the huge rewards that some investments have the potential to offer. At the same time, wrong investment decisions can lead to huge losses too.

* To be replaced by Companies Act, 2013.

"Investors Beware" should be the watchword. All investments have some risk element in them and the investor should bear this in his mind. If caution is thrown to the winds, they have only themselves to blame. Investing well has a secret formula – have the right information, plan and make right choices.

This Primer is designed to caution first-time investors, as well as enlighten existing investors on various aspects of investing.

Chapter 1

WHY IS INVESTING IMPORTANT ?

Savings v/s Investing

1.1 Saving is the excess of your income over your expenditure. Generally, this lies in the savings bank account or in fixed deposits with a bank. The money is very safe here, earns a small rate of interest, and it can be in hand as and when required (high liquidity). On the other hand, this money could be invested for meeting long term goals. While some investments may rise or fall in value over a time period, prudent investments would earn a lot more than the banks savings account.

1.2 It is important to take into account the effects of inflation on your investments. (Inflation is the rise in prices of goods and services. As their prices increase, the value of the rupee goes down. In that case one will not be able to purchase as much with those rupees as one could have in the last month or last year). Savings rarely beat the inflation rate; investments can.

1.3 In essence, the difference between savings and investment is that savings is simply idle cash, while investments help your funds to grow over a period of time. One can meet his short term needs with his savings but to meet his long term goals, he needs to make investments. Savings primarily help to protect the principal, while investments help to earn returns beyond the inflation rate.

Power of Compounding

1.4 The most powerful tool for creating wealth safely and surely is the magical 'power of compounding'. If you park your money in an investment with a given return, and then reinvest those earnings as you receive them, your investment grows exponentially over time. Illustratively, if you set aside a sum of say ₹5,000 every month from the age of 25, earning interest at the rate of 10% p.a., in 60 years you will have with you funds worth more than Rs. 1 crore. However, if you start at 40 with the same amount and rate of interest, the fund accumulated will amount to only around Rs. 33 lakh. Hence, it is always advisable to start savings early to enjoy the benefits of power of compounding.

What should be objectives of investment ?

1.5 There are primarily three investment objectives: **safety, returns** and **liquidity**. In ideal scenario, this means that one would like the investment to be absolutely safe, while it generates handsome returns and also provides high liquidity. However, it is very difficult to maximize all three objectives simultaneously. Typically, one objective trades off against another. For example, if one wants high returns, one may have to take some risks; or if one wants high liquidity, one may have to compromise on returns.

1.6 Every person should prepare a statement of financial goals covering as many requirements as possible. This is the basis on which the financial plan shall then be prepared. A person's financial needs depend on the age, stage in the career path, size of the family, needs of the family members, etc. Some of the needs can be identified with precision, while others can only be determined tentatively. There may be unanticipated needs as well for which provisions will need to be made. If the financial capability in terms of savings is found to be inadequate to meet all the goals, these would need to be prioritized. The financial plan is never static; it has to be reviewed from time to time to account for the changing circumstances.

1.7 There are investment opportunities that are high on risk and there are investment opportunities that are low on risk. Each is called an asset class. An investor needs to allocate his savings to one or more asset classes depending upon his circumstances.

1.8 The indicative table given below charts some instruments vis-à-vis their features.

Financial Product	*Returns*	*Liquidity*	*Safety*
Government Bonds, Treasury Bills, Tax-fee Bonds, National Saving Certificates, Fixed Deposits with Scheduled Banks, Saving Bank and Recurring Deposits	Low	Moderate	High
Deposit schemes of PSUs/Infrastructure Companies/Blue chip Companies, ULIPs/ Insurance products	Moderate	Low to High	Moderate
Mutual Funds Products, Debentures, Corporate Bonds, Fixed Deposits, Preference Shares, Commercial paper, Certificate Deposits, Treasury Bonds	Moderate Returns	Low/ Moderate	Moderate
IPO/FPO Direct Investment in Equity	High	Low/ Moderate	Low/ Moderate
Collective Investment Schemes, Hedging, Derivative Trading, Currency Swaps, Credit Default Swaps (CDS), Collateralized Debt Obligation (CDO), Mortgage etc.	High	Moderate to High	Low

Investor Age and Asset Allocation

1.9 There are no magic tricks to find the perfect asset allocation. Perfect asset allocation is not the one which will make you rich but rather the one that will fit your profile. One of the key factors in determining your investing profile is your age. While it is not the only factor to take into consideration, you can manage your asset allocation according to your age.

1.10 Younger investors should be better off with a portfolio featuring more stocks with greater growth opportunities. Older investors nearing or already in retirement should prefer portfolios with a greater percentage of bonds (or other fixed income products) with their more reliable revenue streams and a lower proportion of stocks with their associated risks.

1.11 There are many ways to determine an asset allocation, including several rules of the thumb. One common suggestion is to invest your age in bonds. So, if you are 40 years old, you may use a 40/60 (bond/equity) allocation. At worst, by such investing according to age, the asset allocation might be slightly more conservative for the under-40 people and slightly more risky than is advisable for those over 60.

1.12 However, if there was only age to manage, things would be pretty easy. This is far from being that simple. In fact, age is only a mathematical data that doesn't take into consideration your risk tolerance. You might be young enough to support a big market drop as you will have time to play with you to gain it back but if you are about to have a heart attack when the market goes down by 5%, you won't last until your retirement!

1.13 Here is some general advice for various age groups.

18 to 35 : While you should not be having much money to invest during this period, this is where you should risk the most. Technically, you should not need the money you invest for retirement for a good 30 years. This is the perfect time horizon for an investor. As such, an asset allocation with 90% to 100% in stocks would be ideal. Unless you are good at building your own stock portfolio, it is advisable to invest through mutual funds or index ETFs. *Why should you select such an aggressive asset allocation ?* Simply because it will be the type of portfolio with the highest expected yield over time. Investing in bonds at such early age will minimize your profit expectancy for nothing.

36 to 50 : This is usually the time of your life where you get a better job (therefore better salary). Try to aim for an asset allocation of about 75% of equity and 25% of bonds. At your age, you still can afford a lot of risk and you should not be shy to take them. The 25% in your asset allocation will smoothen your investment returns during major crisis, but it would not slow down too much.

51 to 65 : During this period, you can start seeing your retirement. However, that should not be the reason for you to secure your asset allocation to the maximum either. Since you would not be withdrawing much of your investment at that age, you can still handle some market fluctuations. Going from a growth to a more balanced asset allocation seems logical and as such, a 25%/75% asset allocation approach would allow you to earn some decent investment returns while not suffering too much during market crashes.

66 and older : You will for sure be retired during this period of your life. If you have been investing throughout your whole life, you should be sitting on a solid nest egg. There are no reasons why you should now risk in the name of higher returns. A more secure asset allocation showing a 90% to 100% bond portfolio would be advisable.

Individual Category and Selection Criteria

1.14 Are there any parameters one should look at based upon his individual status. On a thumb-rule basis, the following could be the selection criteria before making an investment for various categories of individuals:

	Students	*Salary Earners-Private*	*Salary Earners-Government*	*Professionals*	*Traders*	*House wives*	*Retired Persons*
Returns	VI	VI	I	VI	VI	I	I
Liquidity	LI	I	I	LI	LI	I	I
Safety	I	I	VI	I	I	VI	VI
Tax Savings	LI	VI	I	VI	VI	LI	LI

VI : Very Important   I : Important   LI : Less Important

Chapter 2

CAPITAL MARKET

2.1 Among all investment options available, capital market is considered the most challenging as well as most rewarding. Capital market is a market for securities (equity and debt) where companies (and government) raise long-term funds from the public investors, and where investors can subsequently trade among themselves in these securities.

Equity Shares

2.2 Typically, personal savings of an entrepreneur, and if required then contributions from friends/relatives are the source of funds to start a new business. For a large project, however, as the fund requirements are large, these will not only require term loans but go even beyond that. Thus availability of capital is a major input for setting up or expanding business on a large scale. There is a way to raise equity beyond oneself or from a limited pool of a small circle of friends and relatives. This is by way of raising money from the public across the country by selling shares of the company. For this purpose, the promoter has to invite subscriptions through an offer document which gives full details about the promoters' track record, the company, the nature of the project, the business model, the expected profitability, etc. When an individual is comfortable with such an investment opportunity, he may apply in the company's public issue and upon allotment become a shareholder of the company. This way, through aggregation, even small amounts available with a very large number of individuals translate into usable capital for corporates.

Your small savings of, say, even Rs. 5,000 can contribute in setting up, say, a Rs. 5,000 crore telecom plant. This mechanism by which companies raise money from the public is called the primary market.

2.3 Importantly, when you, as a shareholder, need your money back, you can sell these shares to other or new investors. Such trades do not reduce or alter the company's capital. Stock exchanges bring such sellers and buyers together through stock brokers and facilitate trading. As such, companies raising money from the public are required to compulsorily list their shares on a stock exchange which has nation-wide trading terminals. This mechanism of buying and selling shares through a stock exchange is known as the secondary market.

2.4 As a shareholder, you are part owner of the company and entitled to all the benefits of ownership, including dividend (company's profit distributed to owners). Over the years if the company performs well, other investors would like to become owners of such a company by buying its shares. This increase in demand for the shares leads to increase in its price. You then have the opportunity of selling your shares at a higher price than at which you purchased it. You can thus increase your wealth, provided you make the right choice at the first instance of buying shares of the right companies. The reverse is also true! It is therefore important that an investor makes an informed choice.

2.5 Equity is an appropriate investment avenue for an investor who is prepared to take risks in order to generate higher returns. Over the long term, returns from equity shares at aggregated levels have been historically higher than most other avenues.

Debentures/Bonds

2.6 These are primarily of three types:

- Non convertible debentures (NCD) – Total amount is redeemed by the issuer at a specified time

- Partially convertible debentures (PCD) – Part of the value is redeemed and the remaining is converted to equity shares at a specified price and time.
- Fully convertible debentures (FCD) – Full value is converted into equity at a specified price and time.

2.7 Debentures/Bonds are contracts where one party is the lender (investor) and the other party is the borrower (company). This contract specifies the rate of interest, the periodicity of interest payments (monthly/quarterly/annual), and the maturity date for repayment of the principal amount (like 3/5/7 years). The term "bond" is used for the debt instrument issued by the Central and State Governments and PSUs; while the term "debenture" is used for debt issues from the private corporate sector. These instruments are normally secured/charged against the assets of the company, and are required to be rated by credit rating agencies.

2.8 Debentures/Bonds are ideal for investors seeking assured and regular income. These instruments typically offer interest rates higher than the bank fixed deposits. Some bonds offer tax benefits to the investors as well.

Primary Capital Market

2.9 *Initial Public Offering (IPO*) is when a hitherto unlisted company makes either a fresh issue of shares or some of its existing shareholders make an offer to sell off part of their existing shareholding for the first time to the public. This paves the way for the listing and trading of such shares. An IPO of fresh shares is typically made by a company when it needs money for growth-expansion or diversification or acquisitions or even to meet its increasing working capital requirements. In an IPO involving an offer for sale, the proceeds go to the selling shareholders.

2.10 *Further Public Offering (FPO)* is when an already listed company makes either a fresh issue of securities to the public or the existing promoters make an offer for sale to the public. An FPO, where fresh securities are issued, is typically made by a company when it needs money for growth-expansion or diversification or acquisitions or even to meet its increasing working capital requirements. An FPO is also the preferred route (over a rights issue) when the company wants to bring in new investors- both institutional as well as retail. It may be pointed out that the FPO route is also being utilized extensively by the Government for the PSUs for the purpose of disinvestment of government's holdings.

2.11 Regarding the price of shares offered in an IPO or an FPO, SEBI does not play any role in price fixation. The issuer company decides the price. In support of this, the concerned company is required to give full disclosures in the offer document and also to justify the issue price by parameters, such as EPS, PE multiples and return on net worth and comparison of these parameters with peer group companies. There are two types of issues. In one, the company fixes a specified price (called fixed price issues). In the other, the company stipulates a floor price or a price band (within 20%) and invites bids from the market to then determine the final price (called book building issues). In the case of FPOs, the issue price is normally at a discount to the current market price. Some companies, and specifically PSUs, offer a discount to the retail investors in both IPOs and FPOs up to a maximum 10%.

Dos for Investing in IPOs/FPOs

✓ Read the Prospectus/Abridged Prospectus carefully with special attention to:

- Risk factors
- Background of promoters
- Company history
- Outstanding litigations and defaults
- Financial statements

— Object of the issue

— Basis of Issue price

✓ Use the ASBA (Application Supported by Bank Account) process for applying (Under this, the investor authorizes his bank to block in his bank account an amount equivalent to the application money. The money remains in the bank. Upon finalization of the basis of allotment, only the amount equivalent to the allotment amount is debited to the bank account, and the rest is freed up).

✓ In case of non-receipt, within due period, the credit to demat account/refund of application money, a complaint should be lodged with compliance officer of the issuer, and with the post-issue lead manager.

Don't's for investing in IPOs/FPOs

× Don't be influenced by any implicit/explicit promise made by the issuer or anyone else.

× Don't invest based only on the prevailing bull run of the market index or of scrips of other companies in the same industry or scrips of the issuer company/group companies.

× Don't expect the price of the shares of the issuer company to necessarily go up upon listing or forever.

2.12 *Rights Issue* is when a listed company issues fresh securities to its existing shareholders in a particular ratio to the number of securities held prior to the issue as on a record date. This route is normally used by a company which would like to raise capital without diluting the stake of its existing shareholders, as in a rights issue the stake held by each shareholder remains the same even after the issue. (There could be some instances where the promoter may not like to bring in his money, and therefore, allow dilution of his stake by giving up his rights entitlement). Rights issues are typically made at a discount to the prevailing market price, and hence are seen as a reward to the shareholders.

Secondary Capital Market

2.13 Secondary market refers to the market where the issued shares and bonds/debentures are sold and bought among investors through a broker of a stock exchange.

Dos for investing in the secondary market

- ✓ Before investing, check the credentials of the company, its management, fundamentals and recent announcements and other disclosures made by them. The main sources of information are the websites of the exchanges and companies, databases of data vendors, business newspapers and magazines.
- ✓ Adopt trading/investment strategies commensurate with your risk-bearing capacity as all investments carry some risk, the degree of which varies according to the investment strategy adopted.
- ✓ Transact only through SEBI-recognized stock exchanges and deal only through SEBI-registered brokers/sub-brokers.
- ✓ Give clear and unambiguous instructions to your broker/ sub-broker/Depository Participant (DP).
- ✓ Insist on a contract note for each transaction and verify details in the contract note immediately on receipt. In case of any doubt, crosscheck details of your trade available with the details on the exchange's website.
- ✓ Ensure that the broker's name, trade time and number, transaction price and brokerage are shown distinctly on the contract note.
- ✓ Issue cheques/ drafts only in the trade name of the broker.
- ✓ Deliver the shares/depository slip in case of sale and pay the money in case of purchase within the prescribed time.
- ✓ Ensure receipt of payment/deliveries within 48 hours of payout.
- ✓ Insist on periodical statement of accounts.
- ✓ Scrutinize both the transactions and the holding statements that you receive from your DP.

- ✓ Handle Delivery Instruction Slips (DIS) Book issued by the DP carefully. Insist that the DIS numbers are pre-printed and your account number (Client ID) is pre-stamped.
- ✓ In case you are not transacting frequently, use the freezing facility in your demat account.
- ✓ In case of disputes with the sub-broker, inform the main broker immediately.

Don't's for investing in the secondary market

- × Don't forget to take account of the potential risks that are involved in investment in shares.
- × Don't undertake off-market transactions.
- × Don't deal with unregistered intermediaries.
- × Don't fall a prey to promises of unrealistic returns or guaranteed returns.
- × Don't invest on the basis of hearsays, rumors or tips.
- × Don't be influenced into buying the fundamentally unsound companies (penny stocks) based on sudden spurts in trading volumes or "low" prices or favourable articles/ stories in the media.
- × Don't blindly follow investment advice given on TV channels/websites/SMS.
- × Don't invest under peer pressure or blindly imitate investment decisions of others who may have profited from their investment decisions.
- × Don't get misled by companies showing approvals / registrations from Government agencies as the approvals could be for certain other purposes.
- × Don't get carried away with advertisements about the financial performance of companies.

Dealing with Brokers & Sub-Brokers

2.14 One should deal only with SEBI registered brokers/sub-brokers with valid SEBI registration certificates. Listed below are some important Dos and Don'ts:

Dos when dealing with brokers/sub-brokers

- ✓ State clearly who will be placing orders on your behalf and give clear and unambiguous instructions to your broker/ sub-broker.
- ✓ Insist on client registration form to be signed by the broker before commencing operations.
- ✓ Enter into an agreement with your broker/ sub-broker setting out terms and conditions clearly.
- ✓ Ensure that you read the agreement and risk disclosure document carefully before signing.
- ✓ Make sure that you sign on all the pages of the agreement and ensure that the broker or an authorized representative, signs on all the pages of the agreement. Also the agreement should be signed by the witnesses by giving their names and addresses.
- ✓ Insist on a valid contract note/ confirmation memo for trades done within 24 hours of the transaction.
- ✓ Sign the duplicate contract note/ confirmation memo which would be kept with the broker once you receive the original.
- ✓ Insist on a bill for every settlement.
- ✓ Ensure that the 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 only in the trade name of the broker.
- ✓ Ensure receipt of payment/ deliveries within 48 hours of payout.
- ✓ In case of dispute, file written complaint to intermediary/ stock exchange/ SEBI within a reasonable time.
- ✓ In case of any dispute with the sub-broker, inform the main broker immediately.

- ✓ Familiarize yourself with the rules, regulations and circulars issued by stock exchanges/SEBI.
- ✓ Keep track of your portfolio in your demat account on a regular basis. Ensure that you have money before you buy.
- ✓ Ensure that you are holding securities before you sell.

Dont's when dealing with brokers/sub-brokers

- × Don't deal with unregistered brokers/ sub-brokers or other unregistered intermediaries.
- × Don't execute any document with any intermediary without fully understanding its terms and conditions.
- × Don't leave the custody of your Demat Transaction Slip book in the hands of any broker/sub-broker.
- × Don't forgo obtaining all documents of transactions even if the broker/sub-broker is well known to you.

PROCESS FOR BECOMING A CAPITAL MARKET INVESTOR

2.15 For investing in IPOs/FPOs

- The first requirement is PAN.
- The second requirement is a bank account.
- The third requirement is a demat account (See para 2.17 below for more information).

2.16 Additionally, for investing in the secondary market

- Select a broker, complete the KYC form and enter into a broker-client agreement to open a Trading Account.

SOME OTHER ASPECTS OF THE MARKET

Depository System

2.17 Till the mid-90s, securities were issued to the investors in physical paper form. Now, these are issued in an electronic form and are held on investor's behalf by a

Depository Participant (DP) who provides services related to transactions in securities. A DP is an agent of the depository through which it interfaces with the investor. It is now compulsory for every investor to open a beneficial owner (BO) account to apply in IPOs/FPOs or to trade in the secondary market.

2.18 The benefits of depository services include:

- A safe and convenient way to hold securities.
- Immediate transfer of securities.
- No stamp duty on transfer of securities.
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, delays and thefts.
- Reduction in paperwork involved in transfer of securities.
- Reduction in transaction cost.
- No odd lot problem, even one share can be traded.
- Nomination facility.
- Change in address recorded with DP gets registered with all companies in which investor holds securities electronically eliminating the need to correspond with each of them separately.
- Transmission of securities is done by DP eliminating correspondence with companies.
- Automatic credit into demat account of shares, arising out of bonus/split/merger, etc.
- Holding investments in equity and debt instruments in a single account.

For more details, visit the websites of the two depositories: CDSL (**www.cdslindia.com**) and NSDL (**www.nsdl.co.in**)

Day Trading

2.19 Day trading refers to buying and selling of securities where all transactions are required to be closed and positions cleared before the end of the same trading day. Investors should be cautious of the risks in such trading.

Trade for Trade Segment

2.20 The stock exchanges, based upon surveillance or other unusual events, classify a company's shares under Trade for Trade segment. When this happens, the settlement of trades in that company's shares is done on the basis of gross obligations for the day. No netting is allowed and every trade is settled separately.

Margin Trading Facility

2.21 Margin Trading is trading with borrowed funds/securities. It is essentially a leveraging mechanism which enables investors to take exposure in the market over and above what is possible with their own resources. SEBI has prescribed eligibility conditions and procedural details for allowing Margin Trading Facility, which are continually updated. Corporate brokers with net worth of at least Rs. 3 crore are eligible for providing Margin trading facility to their clients subject to their entering into an agreement to that effect. The facility of margin trading is available for Group 1 securities, and those securities which are offered in the initial public offers and meet the conditions for inclusion in the derivatives segment of the stock exchanges. For providing the margin trading facility, a broker may use his own funds or borrow from scheduled commercial banks or NBFCs regulated by the RBI. A broker is not allowed to borrow funds from any other source.

2.22 Small investors are advised not to buy securities through loan funds, because in such a scenario the cost of interest shall need to borne by them, irrespective of the returns on the investment.

Securities Lending Scheme

2.23 Securities Lending and Borrowing is a scheme which enables lending of idle securities by the investors to a clearing corporation and earning a return through the same. The clearing corporation borrows, on behalf of the brokers, securities for the purpose of meeting shortfalls. The defaulter selling broker may make the delivery within the period specified by the clearing corporation. In the event of the defaulter selling broker failing to make the delivery within the specified period, the clearing corporation has to buy the securities from the open market and return the same to the lender within seven trading days.

Bonus Issues

2.24 A Bonus Issue is when a company makes an issue of securities to its existing shareholders in a particular ratio to the number of securities held on a record date, without any payment for the same. The shares are issued out of the company's free reserves or from the share premium account.

Bonus issues are typically seen as a reward to the shareholders.

Continuing Disclosures by Listed Companies

2.25 Investors are the primary users of financial statements. These are used to assess the present and the future business and profitability of an enterprise. Financial reporting consisting of Balance Sheet, Profit & Loss Account, Notes to Accounts, Cash Flow Statement, Auditor's Report and Directors Report are some of the important disclosures made by listed companies, and are included as a part of the company's annual report.

2.26 Apart from this, the Listing Agreement requires companies to make disclosure under various clauses. Some of the clauses requiring disclosures are Financial Results and Shareholding Pattern on a quarterly basis. In addition, the Listing Agreement requires immediate intimation to the exchange on occurrence of any material event, like dividend declaration, issue of capital including bonus shares, takeover, insider trading and pledging.

Indices

2.27 A stock market index captures the behaviour of the overall equity market. The ups and downs of an index reflect the changing expectations of the stock market about the future profitability of India's corporate sector. This is achieved by giving each stock a weight proportional to its market capitalization. The most important market index is the broad-market index, consisting of the large, liquid stocks of the country. In India, we have **NIFTY 50** and **SENSEX** as the major index.

EQUITY DERIVATIVES

2.28 Derivative is a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security; or a contract which derives its value from the prices, or index of prices, of underlying securities. The term indicates that it has no independent value, i.e., its value is entirely "derived" from the value of the underlying asset. In other words, Derivative means a forward, future, option or any other hybrid contract of pre-determined fixed duration, linked for the purpose of contract fulfillment to the value of a specified real or financial asset or to an index of securities.

Dos for Equity Derivatives

- ✓ Go through all rules, regulations, bye-laws and disclosures made by the exchanges.
- ✓ Trade only through a Trading Member (TM) registered with SEBI or authorized person of the TM registered with the exchange.
- ✓ While dealing with an authorized person, ensure that the contract note has been issued by the TM or the authorized person only.

- ✓ Pay the brokerage/payments/margins, etc., to the TM only.
- ✓ Ensure that for every trade you receive a duly signed contract note from your TM.
- ✓ Obtain receipt for collateral deposited with the TM towards margin.
- ✓ Go through details of the Client-TM Agreement.
- ✓ Know your rights and duties vis-à-vis those of the TM.
- ✓ Be aware of the risk associated with your positions in the market/margin calls.
- ✓ Collect / pay 'mark to market margins' on your futures position on a daily basis from/to the TM.

Don't's for Equity Derivatives

- × Don't start trading before reading and understanding the Risk Disclosure Documents. Don't trade on any product without knowing the risk and rewards associated with it.

CURRENCY DERIVATIVES

2.29 Currency derivative is a contract between the seller and the buyer, whose value is to be derived from the underlying asset, the currency amount. A derivative based on currency exchange rates is a future contract which stipulates the rate at which a given currency can be exchanged for another currency as at a future date.

2.30 This is a new asset class for trading available to all Resident Indians. It is a product which allows hedging current exposure where importers and exporters can hedge future payables and receivables. Also, borrowers can hedge foreign currency loans for interest or principal payments. It also provides hedge for offshore investment for Resident Indians. This product provides an arbitrage opportunity for entities who can access onshore and non deliverable forward markets. Volatility and multiplier make it a significant trading option for traders.

INTEREST RATE FUTURES

2.31 The financial sector, corporate and even households are affected by interest rate risk. Interest rate fluctuations impact portfolios of banks, insurance companies, primary dealers, provident funds, etc. Households with loans to pay off are affected by a rise in rates. Interest rates are linked to a variety of economic conditions. They can change rapidly, impacting investments and debt obligations.

2.32 Interest rate risk can be minimized through the use of interest rate futures. An interest rate futures contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." Interest rate futures are derivative contracts which have a notional interest bearing security as the underlying instrument. The buyer of an interest rate futures contract agrees to take delivery of the underlying debt instruments when the contract expires, and the seller of interest rate futures agrees to deliver the debt instrument.

2.33 The value of interest rate futures contracts rise and fall inversely to changes in interest rates. As interest rates rise, bond prices fall and consequently the futures prices fall and *vice versa*. The rationale is that as interest rates increase, the opportunity cost of holding bond decreases, since investors are able to realize greater yields by buying other investments that have higher interest rates. Futures prices mirror these rise and falls of the underlying bond prices.

BUYBACK OF SHARES

2.34 Buyback is the repurchase of outstanding shares (repurchase) by a company in order to reduce the number of shares in the market. Companies will buy back shares either to increase the value of shares still available (reducing supply), or to eliminate any threats by shareholders who may be looking for a control in the stake. A buyback allows companies to invest in themselves. Buyback can be carried out either by presenting to shareholders with a tender offer whereby they have the option to submit (or tender) a portion or all of their shares within a certain time frame and at a premium to the current market price or by companies buying shares on the open market over an extended period of time.

Dos for Buyback of Shares

- ✓ Read the special resolution regarding the proposed buyback in detail and then vote for it.
- ✓ Compare the price offered in the buyback with the market price during last few months as also with the company's EPS, Book Value, etc. to determine whether the price offered is reasonable.
- ✓ Read the instructions for making the application for tendering of shares carefully.
- ✓ Ensure that your application reaches the collection centre within the prescribed time.
- ✓ Furnish all the documents asked for in the letter of offer.
- ✓ Send application through the mode (post/ courier, etc.) specified in the letter of offer.
- ✓ Contact the Merchant Banker if no response is received from the company regarding consideration for the tendered shares.
- ✓ Contact the Compliance Officer mentioned in the letter of offer in case of any grievance.
- ✓ Contact the Registrar of Companies in case the Companies Act has been violated.

Don'ts for Buyback of Shares

- × Don't submit multiple applications.
- × Don't forget to fill up the application legibly.
- × Don't mutilate the application form.

- × Don't send the application form to a wrong address.
- × Don't send the application form after the closure of the offer.
- × Don't forget to give complete information in the application form.
- × Don't forget to sign the application form.
- × Don't give wrong/ contradictory information in the application form.

OPEN OFFERS (UNDER TAKEOVER REGULATIONS)

2.35 An Open Offer takes place if some promoters of a company want to increase their stake or if non-promoters increase their stake to 15%. In any of these scenarios, the investors are provided an exit route by the acquirer of shares. The acquirer is required to make an open offer for at least 20% additional shares once its holding reaches 15%. The price for open offer should not be below the average price for the last 26 weeks.

Dos for Open Offers

- ✓ Ensure that you are aware of all competitive offers and of the revision of the offer before accepting it.
- ✓ Refer to national dailies/ SEBI website for details of competitive offers or revisions of offers.
- ✓ Note that the offer is subject to statutory approvals as mentioned in the letter of offer.
- ✓ Check whether the offer will result in delisting of the company.
- ✓ In case of demat shares, ensure credit is received to the Special Depository Account before the closure of the Offer.
- ✓ Carefully note the timings for hand delivery of the documents mentioned in the letter of offer.
- ✓ Wait till the last date for offer Revision (i.e., 7 working days prior to date of closing of the offer) before tendering your acceptance.

- ✓ Submit the Form of Withdrawal at any specified collection center up to 3 working days before date of closing of the offer in case you want to withdraw the shares tendered
- ✓ Ensure that signatures on the Form of Acceptance, Transfer Deed, Depository Instruction and Form of Withdrawal are the same and in the same order as those lodged with the company.
- ✓ In case of non receipt of the Offer Document, you can tender or withdraw from the Offer by making an application on a plain paper giving the necessary details.

Don't for Open Offers

- × Don't wait for the last date 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.

DELISTING

2.36 The term "delisting" of securities means permanent removal of securities of a listed company from a specified stock exchange/s. As a consequence of delisting, the securities of that company are no longer traded at that stock exchange. In voluntary delisting, a company decides on its own to remove its securities from trading at a particular stock exchange/all stock exchanges where its securities are listed. Compulsory delisting refers to the permanent removal of securities of a listed company from a stock exchange as a penal measure at the behest of the stock exchange for not making submissions/ complying with various requirements set out in the Listing Agreement.

2.37 If a company is listed at any national exchange (presently NSE and BSE) and wishes to voluntarily delist its securities from any or all of the regional stock exchanges, it does not need to provide any exit opportunity to the shareholders, the logic being that a market would continue to exist at the national exchange/s even after the delisting from the regional exchange/s. However, if a company wishes to voluntarily delist its securities from all the stock exchanges where it is listed including from the national exchanges if it is listed there, it has to follow the SEBI Regulations which provide an exit mechanism, whereby the exit price of the securities is determined in accordance to book-building process.

Rights as a Shareholder

2.38 All shareholders have certain rights. Shareholders also need protection; not protection for assured growth of their investments but protection from malpractices and frauds. SEBI regulates the capital market and it has laid down guidelines for ensuring rights of the shareholders. For this purpose, it monitors all constituents of the capital market-from issuers on one hand to stock exchanges on the other hand and all other intermediaries like stock brokers, merchant bankers and underwriters. For more information, please visit **www.sebi.gov.in**. Please also visit the websites of the two national-level stock exchanges: BSE-**www.bseindia.com** and NSE - **www.nseindia.com**.

Rights as a shareholder

- To receive the shares on allotment or purchase within the stipulated time.
- To receive copies of the Annual Report of the company.
- To receive dividends, if declared, in due time.
- To receive approved corporate benefits, like rights and bonus.
- To receive offer in case of takeover, delisting or buyback.
- To participate/vote in general meetings.
- To inspect the statutory registers at the registered office of the company.

- To inspect the minute books of the general meetings and receive copies.
- To complain and seek redressal against fraudulent and investor unfriendly companies.
- To proceed against the company, if in default, by way of civil or criminal proceedings.
- To receive the residual proceeds in case of winding up.

Rights as a debentureholder

- To receive interest/redemption in the stipulated time .
- To receive a copy of the trust deed on request.
- To apply before the CLB* in case of default in redemption of debentures on the date of maturity.
- To apply for winding up of the company if the company fails to pay its debt.
- To approach the Debenture Trustee for grievances.

Mutual Funds

2.39 Introduction

The capital market is highly complex. The risks rise further for most individuals who neither have the time, skills or resources to select the right securities nor to monitor their investments subsequently nor to take decisions on exits. Selecting securities with growth and income potential from the large number of listed securities involves careful research and monitoring of the market, which is not possible for most small investors. Also, the key to successful investing in the capital market is to minimize risks which can be done by building a diversified portfolio, which however requires substantial capital.

2.40 Mutual Fund is a professional intermediary between the investor and the capital market. Mutual Fund is an entity which collects funds from small investors, pools these funds together and with the help of competent

* To be replaced by the National Company Law Tribunal under the Companies Act, 2013.

professionals invest these into various equity and debt instruments, in accordance with the scheme objectives. Investors are issued units by a mutual fund against their investments. For this, the mutual funds charge a management fee. The profits or losses made by the mutual fund are shared with the investors in proportion to their investments. Mutual Funds as such mitigate to a large extent the shortcomings of direct investing.

2.41 The performance of a particular scheme is denoted by Net Asset Value (NAV). The NAV per unit is the market value of securities of a scheme divided by the total number of units of the scheme on any particular date. Since market value of securities changes every day, the NAV of a scheme also changes accordingly. NAV is required to be disclosed by the mutual funds on a daily basis.

Main types of mutual fund schemes

2.42 Mutual Funds offer a wide range of schemes to suit different needs of the investors. An investor should select suitable schemes matching his investment objective. One must study the offer document of the scheme carefully; due care must be given to sections relating to main features of the scheme, risk factors, initial expenses and recurring expenses of the scheme, exit loads, track record of the sponsor and of the fund managers and the past and pending litigations/defaults. The past track record of performance of the scheme or other schemes of the same mutual fund is an important input in decision making. Though past performance of a scheme is not an indicator of its future performance and good performance in the past may or may not be sustained in the future, this still is one of the important factors for making the investment decision.

2.43 Many investors are tempted to invest in schemes that are available at a low NAV. Accordingly, they are even drawn towards New Fund Offering (NFO), which are made available at Rs. 10 per unit. Investors should understand that in case of mutual funds schemes, lower or higher NAVs of similar type schemes of different mutual funds have no relevance. At the entry point for the investor in an existing scheme, the NAV reflects the present value of the underlying assets, and a higher NAV in fact shows a comparative high quality of assets. In NFOs, the initial corpus shall be first invested and the NAV shall then depend upon the quality of investments.

2.44 Growth/Equity Oriented Schemes normally invest a major part of their corpus in equities, and as such carry higher risks/rewards. Growth schemes are good for investors having a long-term outlook. Such schemes could be focused by, for example, investing only in large-cap stocks or only in mid cap-stocks, etc.

2.45 Income/Debt Oriented Schemes aim to provide regular and steady income to the investors. As such, these schemes generally invest in fixed income securities, such as bonds, corporate debentures, Government securities and money market instruments. Such schemes are less risky, but offer low returns.

2.46 Balanced Schemes offer the middle path by combining both growth and income. As such, these schemes invest both in equities and in fixed income securities. These are appropriate for investors who do not wish to take excessive risk and at the same time are also looking for some capital appreciation. Such schemes generally invest 40-60% in equity and the balance in debt instruments.

2.47 Sector Specific Funds/Schemes invest in the securities of a pre-specified sector/industry (like Pharmaceuticals, Software, FMCG, PSUs, Banks). The returns in these funds are significantly dependent on the performance of the respective sector/industry. Such funds may give higher returns, but at the same time they are more risky.

2.48 Tax Saving Schemes offer tax rebates to the investors under specific provisions of the Income Tax Act. A good example of this is the Equity Linked Savings Schemes (ELSS). Pension schemes launched by mutual funds also offer tax benefits. Such schemes are growth oriented and invest pre-dominantly in equities.

2.49 Capital Protection Oriented Schemes are oriented towards protection of capital but not with guaranteed returns. Such schemes typically invest a part of their portfolio into AAA rated bonds in such a way that on maturity this investment equals to 100 percent of the original capital. The balance of portfolio is invested in other assets which offer higher returns.

2.50 Systematic Investment Plans (SIP) is a convenient option which offers disciplined investing. Under SIP, an investor invests a fixed amount regularly, say every month or quarter. Such investments are made at the respective prevailing NAVs. The investor can redeem his units any time irrespective of whether he has completed his minimum investment in that scheme.

2.51 Index Funds replicate the portfolio of a particular index such as the BSE Sensex or the S&P NSE Nifty. These schemes invest in the securities in the same weightage as in the index. NAVs of such schemes rise or fall substantially in accordance with the rise or fall of the index.

2.52 Exchange Traded Funds, popularly known as ETFs, select a market index and make investments in the basket of stocks drawn from the constituents of that index. The fund may invest in any or all of the stocks constituting that index but not necessarily in the same proportion.

2.53 Gold ETFs are funds where the underlying asset is standard gold bullion of 0.995 purity and the investors' holdings are denoted in units, unlike the equity mutual fund, where the underlying asset is the stocks of various companies.

All Mutual Funds are regulated by SEBI. For more information, visit **www.sebi.gov.in** and **www.amfiindia.com**.

Purchasing mutual fund schemes

2.54 A new scheme launched by a mutual fund to collect funds from the investors is called a New Fund Offering (NFO). Launches of NFOs are usually advertised in newspapers/TV. Investors can also contact agents and distributors of mutual funds for necessary information and application forms. The units of existing schemes can be purchased directly from the fund itself or from distributors/brokers/sub-brokers/agents.

Dos for investing in mutual fund schemes

- ✓ Read the offer document carefully before investing.
- ✓ Investments in mutual funds may be risky, and do not necessarily result in gains.
- ✓ Invest in a scheme depending upon your investment objective and risk appetite.
- ✓ Note that past performance of a scheme or a fund is not indicative of the scheme's or the fund's future performance. Past performance may or may not be sustained in the future.
- ✓ Keep regular track of the NAV of the schemes in which you have invested.
- ✓ Ensure that you receive an account statement for your investments/ redemptions.

Don'ts for investing in mutual fund schemes

- × Don't invest in a scheme just because somebody is offering you a commission or some other incentive like gifts.
- × Don't get carried away by the name of the scheme/ mutual fund.
- × Don't be guided solely by the past performance of a scheme/ fund.
- × Don't forget to take note of the risks involved in the investment.
- × Don't hesitate to approach the proper authorities for redressal of your doubts/ grievances.

× Don't deal with any agent/broker dealer who is not registered with AMFI.

PORTFOLIO MANAGERS

2.55 A Portfolio Manager is a SEBI-registered entity who is pursuant to a contract with a client and who advises or directs or undertakes on behalf of the client the management or administration of a portfolio of securities or the funds of the client. A discretionary portfolio manager individually and independently manages the funds of each client in accordance with the needs of the client in a manner which does not partake character of a mutual fund, whereas the non-discretionary portfolio manager manages the funds in accordance with the directions of the client. SEBI Regulations have not prescribed any scale of fee to be charged by the portfolio manager to its clients. The fee charged may be a fixed amount or a return-based fee or a combination of both. Names and addresses of all SEBI-registered portfolio managers are available on SEBI website- **www.sebi.gov.in**.

Chapter 3

COMPANY FIXED DEPOSITS

3.1 Many companies accept Fixed Deposits from investors, typically for short durations of 6 months to 3 years. These are similar to bank fixed deposits but entail lesser liquidity and usually carry higher risk and return. The attractive returns on such deposits draw many investors to channel their savings into such deposits. This results in mobilization of household savings for utilization in productive purposes by the corporate sector.

3.2 Some key features of Company Fixed Deposits are:

- Fixed deposit scheme offered by a company are similar to a bank deposit.
- Used by companies to borrow from small investors.
- The investment period must be selected carefully as most FDs are not encashable prior to their maturity.
- Not as safe as a bank deposit. Company deposits are 'unsecured'.
- Offer higher returns than bank FDs, since they entail higher risks.
- Ratings can be a guide to their safety.

Rights of deposit holders

- Right to receive periodic interest payments on time.
- Right to receive intimation regarding any amendment to the terms of repayment of deposits.
- Right to receive the amount of matured deposits on time.
- Right to intimation regarding unclaimed deposits before their transfer to the IEPF.

- Right to file complaint in the prescribed format before Company Law Board* (in the office where the registered office of the company is situated) in case of default in repayment of deposits.
- Right to alternatively file complaint in the Consumer Forum under the Consumer Protection Act, 1986.

Dos for investing in company fixed deposits schemes

- ✓ Do check the credit rating assigned by the Credit Rating Agencies to the Fixed Deposits being considered.
- ✓ Do ignore the unrated Fixed Deposit schemes.
- ✓ Do understand the background and credibility of the promoters.
- ✓ Do choose a company with a better track record for similar rated companies.
- ✓ Do avoid investing in Fixed Deposits of companies whose promoters have a dubious record.
- ✓ Do realize while investing in Fixed Deposits that if the company is unable to repay your money, you may end up losing it, as such Deposits are unsecured.
- ✓ Do refer to the investor service standards of the company.
- ✓ Do lodge a complaint with the concerned regulator in case the company defaults in repayment of deposits (For listed companies, file complaint with SEBI; for manufacturing companies, file complaint with MCA; for banks and NBFCs, file complaint with RBI).
- ✓ Do state the name of the guardian in the application, if the deposit is in the name of a minor.
- ✓ Do always have a nominee for the deposits made by you.

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* To be replaced by the National Company Law Tribunal under the Companies Act, 2013.

Don’ts for investing in company fixed deposits schemes

- × Don’t invest all or substantial part of your savings in Fixed Deposits.
- × Don’t get lured by high interest rates.
- × Don’t forget to check on track record of the company.
- × Don’t invest in companies that care little about investor services.
- × Don’t hesitate to seek regulator’s assistance for any grievance.

Chapter 4

PENSION PRODUCTS

New Pension System (NPS)

4.1 A person can build his retirement corpus during his working life by regularly contributing (the minimum amount being Rs. 6,000 p.a.) to the NPS till the age of 60. Such contributions are invested by the Pension Fund Manager (PFM) whom the investor chooses in the investment option of his choice:

Active Choice

- ✓ Asset Class E (Equity): Invests in index funds (the maximum allowed is 50%, the balance has to be in Asset Class G & C).
- ✓ Asset Class G (Government securities): Invests in central and state government bonds.
- ✓ Asset Class C (non government debt): Invests in liquid funds of Asset Management Companies, bank fixed deposits, rated bonds issued by corporates, banks, financial institutions, PSUs, Municipality and Infrastructure entities.

Auto Choice (Life cycle fund)

Under this option, the contributions are automatically allocated to the three asset classes in a predefined manner depending on the investor's age.

4.2 Upon subscribing, the investor is allotted a Permanent Pension Account Number (PPAN). The PPAN will remain constant even if the investor changes the PFM, his location or employer. The returns earned on the contributions would depend on the investment option.

Charges are applicable to the NPS account as prescribed by the regulator-Pension Fund Regulatory and Development Authority (PFRDA). For further details, visit **www.pfrda.org.in**.

4.3 At the age of 60, a minimum of 40% of the accumulated amount in the account has to be used to buy a pension (annuity) scheme from any insurance company from whom the investor will receive monthly pension. The balance of 60% in the account can be withdrawn or be used to buy annuity.

4.4 **Annuity/Pension Policies/Funds** are products of the insurance companies and offer guaranteed income either for life or for a certain period without any insurance cover.

Chapter 5

INSURANCE POLICIES

5.1 Insurance, as the name suggests, is an insurance against future loss. Life insurance is the most common insurance cover for an individual. Life Insurance is a contract providing for payment of a sum of money to the person assured, or following him to the person entitled to receive the same, on the happening of a certain event. It is a good method to protect your family financially, in case of death, by providing funds for the loss of income.

Term Life Insurance

- Lump sum is paid to the designated beneficiary in case of the death of the insured.
- Policies are usually for 5, 10, 15, 20 or 30 years.
- Low premium compared to other policies.
- Does not carry any cash value.

Endowment Policies

- Provide for periodic payment of premiums and a lump sum amount either in the event of death of the insured or on the date of expiry of the policy, whichever occurs earlier.

Annuity / Pension Policies / Funds

- No life insurance cover but a guaranteed income either for life or a certain period.
- Taken so as to get income after the retirement.
- Premium can be paid as a single lump sum or through installments paid over a certain number of years.
- The insured receives back a specific sum periodically from

a specified date onwards (can be monthly, half yearly or annual).

- In case of the death, it also offers residual benefit to the nominee.

Units Linked Insurance Policy (ULIP)

- ULIP is a life insurance policy, providing a combination of risk cover and investment.
- The dynamics of the capital market have a direct bearing on performance of ULIPs.
- Most insurers offer a wide range of funds to suit one's investment objectives, risk profile and time horizons. Different funds have different risk profiles. The potential for returns also varies from fund to fund.
- ULIPs offered by different insurers have varying charge structures. Broadly the different fees and charges include- Premium allocation charges, Mortality charges, fund management fees, policy/administration charges and fund switching charges.

Dos for an insurance policy

✓ Do review your insurance coverage.

✓ Do consider how much life cover you need and your affordability to pay the premium.

✓ Do study details of various schemes.

✓ Select a policy that suits you in terms of your requirement and premium outflows.

✓ Do get an advice from an insurance professional who offers policies of different insurance companies.

✓ Do go online to get the best quotes and verify the same before choosing one.

✓ Do consider two single plans rather than a joint cover.

✓ Do disclose correct information in your application.

✓ Do check and update your policy regularly.

Don’ts for an insurance policy

- × Don’t purchase a policy unless you understand the concept behind it.
- × Don’t buy life insurance unless you need it.
- × Don’t opt for the cheapest deal without understanding the risk.
- × Don’t forget to check for terminal illness benefits.
- × Don’t limit your choice to one insurer.
- × Don’t over-burden yourself with unaffordable premium outflows.
- × Don’t blindly trust the information that is available online.
- × Don’t lie in your medical exam.
- × Don’t cancel any current insurance policy until you receive a certificate.
- × Don’t do anything to hinder an investigation in case you file a claim.
- × Don’t default on your payments which may lead to cancellation at the time of need.
- × Don’t forget to report accidents and mishaps to your insurance company, even if you don’t plan on filing a claim.

Chapter 6

GOVERNMENT SCHEMES

6.1 The Government offers a wide variety of savings/ investment products:

National Savings Certificates (NSC)

NSC VIII Issue

- Scheme designed for Government employees, Businessmen and other salaried classes who are Income Tax assesses.
- No maximum limit for investment.
- No Tax deduction at source.
- Certificates can be kept as collateral security to get loan from banks.
- Investment up to INR 1,00,000/- per annum qualifies for IT Rebate under section 80C of Income Tax Act.
- Rate of interest 8.50%.

NSC IX Issue

- No maximum limit for investment.
- Rate of interest 8.80%.
- INR. 100/- grows to INR 234.35 after 10 years.
- Minimum Investment Rs. 100/- No upper limit available in denominations ofRs.100/-, 500/-, 1000/-, 5000/- & INR. 10,000/-.
- A single holder type certificate can be purchased by an adult for himself or on behalf of a minor or to a minor.
- Maturity value of a certificate of INR.100/- purchased on or after 1.4.2012 shall be INR. 236.60 after 10 years.

- Buy National Savings Certificates (NSCs) every month for Five years – Re-invest on maturity and relax - On retirement it will fetch you monthly pension as the NSC matures.

Public Provident Fund (PPF)

- Ideal investment option for both salaried as well as self-employed classes.
- Non-Resident Indians (NRIs) are not eligible.
- Investment up to Rs.1,00,000 per annum qualifies for IT Rebate under section 80 C of IT Act.
- The rate of interest on the subscriptions made to the fund on or after 01.12.2011, and balances at credit of the subscriber in the existing PPF account shall bear interest at the rate of 8.70% per annum.
- Loan facility is available from 3rd financial year upto 5th financial year. The rate of interest charged on loan taken by the subscriber of a PPF account on or after 01.12.2011 shall be 2% p.a. However, the rate of interest of 1% p.a. shall continue to be charged on the loans already taken or taken up to 30.11.2011.
- Withdrawal permitted from 6th financial year.
- Free from court attachment.
- An individual cannot invest on behalf of HUF (Hindu Undivided Family) or Association of persons.

Type of Account	*Minimum limit*	*Maximum limit*
Public Provident Fund (Individual account on his behalf or on behalf of the minor of whom he is the guardian)	INR. 500/- in a financial year	INR. 1,00,000/- in a financial year

Citizen Savings Scheme (SCSS) Account

- A new avenue of investment and return for Senior Citizen.

- The account may be opened by an individual.
  - Who has attained age of 60 years or above on the date of opening of the account.
  - Who has attained the age 55 years or more but less than 60 years and has retired under a Voluntary Retirement Scheme or a Special Voluntary Retirement Scheme on the date of opening of the account within three months from the date of retirement.
  - No age limit for the retired personnel of Defence services provided they fulfill other specified conditions.
- The account may be opened in individual capacity or jointly with spouse.
- Non-resident Indians (NRIs) and Hindu Undivided Family (HUF) are not eligible to open an account.
- The individual may open one or more account in the multiple of INR.1000/-, subject to a maximum limit of INR.15 lakh.
- No withdrawal shall be permitted before the expiry of a period of five years from the date of opening of the account. The depositor may extend the account for a further period of 3 years.
- Premature closure of account is permitted.
  - After one year but before 2 years on deduction of 1 ½ % of the deposit.
  - After 2 years but before date of maturity on deduction of 1% of the deposit.
- Premature closure allowed after three years.
- In case of death of the depositor before maturity, the account shall be closed and deposit refunded without any deduction along with interest.
- Interest @ 9.20% per annum from the date of deposit on quarterly basis. Interest can be automatically credited to savings account provided both the accounts stand in the same post office.

- Interest rounded off to the nearest multiple of rupee one.
- Post Maturity Interest at the rate applicable to the deposits under Post Office Savings Accounts from time to time is admissible for the period beyond maturity.
- Nomination facility is available in the Scheme.
- The investment under this scheme qualify for the benefit of Section 80C of the Income Tax Act, 1961, from 1.4.2007.

  Monthly Income Scheme (MIS) and Senior Citizen Saving Scheme (SCSS) are the best for Senior Citizens who desire monthly/quarterly interest. Invest in MIS / SCSS and transfer interest into RD account through SB account through written request and earn a combined interest of 10.5 % (approx.). This is the safest investment option for the Senior Citizens.

Post Office Scheme (POS)

- One of the best Tax Saving Schemes.
- It is available throughout the year.
- Post Office schemes depends upon the type of investment and maturity period, which can be divided into following categories: Monthly Deposit/Saving Deposit/Time Deposit/ Recurring Deposit.

Kisan Vikas Patra (KVP)

- Money invested in this scheme doubles in 8 years and 7 months.
- There is a minimum investment limitation of Rs. 100 with no upper limit.
- This scheme is available throughout the year.
- Currently, there is no tax benefit on investment under this scheme.

Chapter 7

COLLECTIVE INVESTMENT SCHEMES

7.1 A Collective Investment Scheme (CIS) is a scheme or arrangement made or offered by any company under which the contributions or payments made by the investors are pooled and utilized with a view to receive profits, income, produce or property, and is managed on behalf of the investors. A good example of this is plantation companies. Mutual Funds, Fixed Deposits, Insurance, etc. which do not constitute a CIS.

Dos for CIS

- ✓ Ensure that the entity is registered with SEBI.
- ✓ Read the offer document carefully.
- ✓ Read the appraisal report of the scheme.
- ✓ Check the viability of the project.
- ✓ Check 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 (CIMC) has the necessary resources for implementation of the scheme.
- ✓ Check the credit rating/ tenure of the scheme.
- ✓ Check for the promise vis-à-vis performance of the earlier schemes, if any.
- ✓ Ensure that the CIMC sends you a copy of its Annual Report within two months from closure of each financial year.

✓ Remember that SEBI does not guarantee returns or undertake repayment of money to the investors.

Don’ts for CIS

× Don’t invest in a CIS entity not registered with SEBI.

× Don’t get carried away by indicative or promised returns or by market rumours/ advertisements.

Chapter 8

BANKING

8.1 The relationship between a bank and a customer is very significant as both serve the society to grow and economy to expand. A banker is a dealer in money. On one hand, it takes deposits from the customers and pays interest for it. On the other, it lends money to customers against some security and terms, and charges interest on it. It thus acts as an intermediary between a borrower and a lender.

Rights of bank accountholders

- Right to draw cheques on his account up to the extent of his credit balance or according to overdrawing limit sanctioned by the bank.
- Right to receive interest on the amount deposited with the bank.
- Right to receive passbook, cheque book, ATM card, etc.
- Right to receive account statement from the bank.
- Right to sue the bank for compensation for wrongful dishonor of his cheque.
- Right to sue and demand compensation if the bank fails to maintain secrecy of his account.
- Right to give standing instructions to the bank for payment like insurance premium, utility bills, credit card dues, etc.

Dos for bank accountholders

✓ Do choose your bank carefully in terms of location, facilities, rates, etc.

- ✓ Do communicate carefully what you want with your bank.
- ✓ Do assess your liquidity and returns requirements.
- ✓ Do keep adequate money in your bank account when liquidity requirement is high.
- ✓ Do report immediately to Call Centre or ATM support or Branch if ATM card is lost.
- ✓ Do install mobile security software in case of mobile banking.
- ✓ Do deposit cash in the ATM using envelopes received from the ATM and deposit the envelopes with cash inside in the slot provided for.
- ✓ Do understand the procedure for "Stop Payment".
- ✓ Do make a note of all online purchases and compare with your bank statement.
- ✓ Do deposits only for the term your financial position allows.
- ✓ Do opt for online banking only if you are comfortable with its operations.

Don'ts for bank accountholders

- × Don't open an account without verifying the bank's customer service track record.
- × Don't give blank cheques to anyone.
- × Don't issue cheques without first ensuring sufficient balance in your account.
- × Don't share your personal financial information with anyone.
- × Don't keep PIN and ATM Cards together.
- × Don't reveal your PIN to anyone.
- × Don't choose automatic login options.
- × Don't avail of overdraft protection.

WHERE NOT TO INVEST

Chapter 9

DON'T INVEST IN DUBIOUS SCHEMES

Introduction

9.1 There are several dubious schemes operating in the market. The promoters of such schemes float companies with attractive names. They start in a particular area and then, on attaining saturation of member enrollments, keep shifting over to new areas. While promoting the schemes, they get film stars, politicians, sportspersons, etc. at grand functions to impress the public. They engage persuasive direct marketing agents, print attractive brochures, release eye-catching advertisements and hoardings and offer gifts to the investors. They also use attractive slogans. They also "honour" their members with titles, like Silver Member or Gold Member. Some of the such schemes that are designed to entrap the gullible public by luring them with the promise of becoming rich overnight are:

Money Circulation Schemes (MCS)

Multi-Level Marketing Schemes (MLM)

Network Marketing (NWM)

Self Employment Yojana (SEY)

9.2 By enerolling oneself into such a scheme, one gets back some or full initial investment and then keeps gaining financially by enrolling new members. So also the second set of enrollers keeps multiplying and gain financially, luring every onlooker. Such a system of chain that works endlessly to provide profit to everyone concerned ultimately breaks down at some stage, resulting in big financial losses to many. When a person fails to get his required clients or enrollers, the promoters of the scheme do not tell about the non-viability of the scheme but blame it as one's personal failure. Many companies have now disguised into the activity of marketing goods, services, drugs and healthcare products.

Chit Funds

9.3 Chit fund is a kind of savings scheme under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money by way of periodical installments over a definite period, and that each such subscriber shall, in his turn, as determined by a lot or by an auction or by a tender, be entitled to the prize amount. However, there are many such schemes which have been misused by their promoters and there are many instances of the founders running away and absconding with their money this is basically called a Ponzi scheme.

Deposits

9.4 Finance Companies take deposits from the public, promising them unusually high returns. Since high returns are unsustainable, ongoing repayments of interest and deposit amounts depend on continuous and uninterrupted flow of fresh deposits. At some stage, when the flow of deposits gets stifled, the payments to the investors stop, leaving them high-and-dry.

Private Placements

9.5 Many companies offer equity shares/convertible debentures/preference shares, etc. to the public through the private placement route, often for a 'a mega project' and promise dream returns. By law, such securities cannot be sold to more than 49 persons, beyond which the Company is required to come out with a Public Issue under the guidelines of the SEBI.

Plantation Companies

9.6 Many companies offer schemes that multiply money by investment into plantations. Most of such companies are not registered with SEBI, and typically have fled with the investors' monies.

Caution for the general public

9.7 Remember that there are no free lunches and that there is always some catch when someone offers to make money for you easily and quickly. So any get-rich-quick scheme or high-returns schemes should be suspected. Also remember that may be these schemes are unsecured, illegal and not regulated by the Government. In such a case, if you lose money, you shall not be able to seek any help from the Government.

Chapter 10

INVESTOR GRIEVANCE REDRESSAL

10.1 The capital market can grow only when investors find it safe for them to invest, and they are assured that the rules governing the market are fair and just for all the players. For this purpose, there is an effective mechanism for resolutions of disputes and grievances in place.

Ministry of Corporate Affairs

10.2 Ministry of Corporate Affairs (MCA) provides an efficient and effective grievance redressal framework to address and resolve the grievances speedily. Investors can approach any of the officers or the Registrar of Companies, the Regional Directors as well as the Headquarters of the MCA with their grievances. The complaints are taken up with the respective companies. For complaints relating to areas not in the charter of the MCA, are forwarded to the relevant regulator, and the investors are also advised to approach the concerned regulator.

10.3 Investor Grievance Handling & Redressal has acquired a special focus with the implementation of MCA21 e-Governance portal, which has a dedicated online facility for filing of grievances on **www.mca.gov.in**. It also has 'online status tracking' facility to enable monitor the progress.

Class Action Suits

A new tool called 'Class action suits' has been created under the Companies Act, 2013 which will come into effect once the Ministry of Corporate Affairs issues the notification. This concept has been in existence in advanced countries, like the US. With shareholders and other stakeholders becoming more informed, knowledgeable and conscious of their rights, it was inevitable that this concept would find roots in India as well.

A class action, a class suit, or a representative action is a form of lawsuit in which a large group of people collectively bring a claim to court and/or in which a group of defendants is being sued.

Class-action lawsuits allow a large number of people with common interest in a matter to sue or be sued as a group. Sections 245 and 246 of the new Act contain these provisions. Under these, class-action suits may be filed by investors if they are of the opinion that the affairs of the company are being conducted in a manner prejudicial to the interest of the company, its shareholders or depositors.

Relevant Provisions in the Companies Act 2013

Clause 245 of the Companies Act, 2013, enables their members and depositors or any class of them to file an application to the Tribunal (National Company Law Tribunal) on behalf of the members or depositors, if they opine that the management or affairs are being conducted pre-judicial to the interests of the Company.

Suit under Clause 245 may be filed by members or depositors or any class of them before the National Company Law Tribunal, if they believe that the management or conduct of the affairs of the company prejudices the interest of the company, its members or depositors.

Who can make an application for class action ?

Number of members required to file class action are:

1. In the case of a company with a share capital of more than one hundred members of the company, or such percentage of the total number of its members as may be prescribed, whichever is less; or any member or members holding more than such percentage of

the issued share capital of the company as may be prescribed. This is subject to the condition that the applicant or applicants has/have paid all calls and other sums due on his or their shares;

2. In case of a company without share capital more than the one-fifth of the total number of its members.

Numbers of depositors required to file class action:

1. More than 100 in number or more than such percentage of the total number of depositors as may be prescribed, whichever is less, or

2. Any depositor or depositors to whom the company owes such percentage of total deposits of the company as may be prescribed.

Against whom action can be brought

The Act has brought the following individuals under the purview of law whose motives are found to be fraudulent or unlawful; or if they commit a wrongful act or an omission.

1. Directors by removing corporate veil

2. Auditors and auditor firm for any improper & misleading statement in the audit report.

3. An expert or advisor or consultant or any other person associated in this regard.

The power has also been given to the members and depositors to make an application for those actions which are yet to occur in the future, by the company. The order passed in this regard will be binding on the company, its members, depositors, auditors, advisors, consultants, experts and other persons associated with that aspect. If anyone fails to comply with the order, he shall be liable to a minimum penalty of Rs. 5 Lacs but not more than 25 lacs and in case of the officer of the company with an imprisonment of 3 years and with a penalty of minimum Rs. 25 thousand not exceeding Rs. 1 Lakh. The above mentioned provisions are not applicable to Banking Companies.

Impact of the Provision On Stakeholders

i. Stakeholders will definitely benefit with this provision. So far, filing a case of oppression and mismanagement was the only recourse available to aggrieved shareholders. Class action suit gives them additional rights and grounds to fight for their rights and any abuse of powers by the company, its management, or for that matter even against the auditor and consultant.

ii. Deposit holders, who had no option but to file a civil suit so far, can also take action against any wrongful act by the company or other specified persons. This should make them feel more secure about their investment.

iii. Including auditors and consultants of the company within the ambit of class-action suit along with the company and its management provides additional empowerment to stakeholders to seek action against such person for specified wrong deeds. It will also ensure that experts, advisors and auditors of the company act carefully and diligently before advising the company and its management.

iv. The facility to file suit through any person, group of persons or associations may also motivate NGOs and other activists to take up causes of the affected people.

v. Likely to encourage faster action and speedy disposal of matters calling immediate attention.

vi. Higher penalties and mandatory imprisonment, if proved wrong, would act as a deterrent to any fraudulent, unlawful or wrongful act or for any improper or misleading statement.

vii. The provision to claim damages from the company or its directors and other specified persons for the expenses of a class suit is a positive and encouraging move for stakeholders.

On Industry

1. For the corporate sector, class action means stakeholders will have more rights and powers to seek action against them.
2. At the same time, it will also ensure that companies become more careful in their actions, and those actions are weighed for legal implications.
3. Since they can be sued in their individual capacity, companies can rely on their auditors, consultants, advisors or any other associated with the company to give more sound and accurate advice.

On Professionals

Professionals such as auditors, experts, advisors or consultants or any other persons associated with the company will exercise more independence, diligence and efficiency in their work. Manipulations by professionals to the company will also decline.

Mediation & Reconciliation Panel

Section 442 of the Companies Act, 2013, provides for the maintenance of Mediation and Conciliation Panel. It states that the Central government shall maintain a panel of experts for mediation between the parties. Such panel may to be called Mediation and Conciliation Panel.

The parties during the pendency of any proceedings before the Central Government or the Tribunal or the Appellate Tribunal under the Act may resort to mediation under these provisions. The form and the fee for applying shall be prescribed in the Rules.

After receiving application for referring the matter to the Mediation and Conciliation Panel, the Central Government or Tribunal or the Appellate Tribunal, as the case may be, shall appoint one or more experts from such Panel. The matter is required to be disposed off within a period of three months from the date of such reference. The Panel is required to forward its recommendations to the Central Government or Tribunal or the Appellate Tribunal, as the case may be, within that period.

The aggrieved party may file its objections to the Central Government or Tribunal or the Appellate Tribunal, as the case may be. The Central Government or Tribunal or the Appellate Tribunal, may, suo motu, refer any matter pertaining to such proceedings to experts from the Panel.

Securities and Exchange Board of India

10.4 In the event of capital market related grievances not resolved by the concerned company or the intermediary, investors can approach the SEBI. The following kinds of complaints can be filed:

Type-I	:	Refund Order/ Allotment Advise.
Type-II	:	Non-receipt of dividend.
Type-III	:	Non-receipt of share certificates after transfer.
Type-IV	:	Debentures.
Type-V	:	Non-receipt of letter of offer for rights.
Type VI	:	Collective Investment Schemes.
Type VII	:	Mutual Funds/ Venture Capital Funds/ Foreign Venture Capital Investors/ Foreign Institutional Investors/ Portfolio Managers, Custodians.
Type VIII	:	Brokers/ Securities Lending Intermediaries/ Merchant Bankers/ Registrars and Transfer Agents/ Debenture Trustees/ Bankers to Issue/ Underwriters/ Credit Rating Agencies/ DP.
Type IX	:	Securities Exchanges/ Clearing and Settlement Organizations/ Depositories.
Type X	:	Derivative Trading.
Type XI	:	Corporate Governance / Corporate Restructuring / Substantial Acquisition and Takeovers / Buyback / Delisting / Compliance with Listing Conditions

Sebi has Complaints Redress System SCORES, is a web based centralized grievance redress system (http://scores.gov.in). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere. This enables the market intermediaries and listed companies to receive the complaints online from investors, redress such complaints and report redressal online.

Stock Exchanges

10.5 The following types of complaints should be filed with the concerned stock exchange:

- Complaints related to securities traded/listed with the exchanges.
- Complaints regarding trades effected in the exchange with respect to the companies listed on it.
- Complaints against the brokers/sub-brokers of the exchange.

Reserve Bank of India

10.6 The RBI website-**www.rbi.org.in** has a dedicated facility for investor grievances handling and resolution. All complaints related to banks and company fixed deposits should be filed with RBI.

Chapter 11

INVESTOR ASSOCIATIONS

11.1 Why become a member ?

It is often difficult for an investor to fight for his rights at an individual level. This can also include settling of investor grievances. It is ideal for an investor to become a member of an investor association, who can take up causes on his behalf. Moreover, many of the investor associations regularly organize education seminars for their members, in addition to organizing special talks by eminent experts. The list of investor associations/NGOs/ voluntary agencies registered with IEPF and SEBI is available on **www.iepf.gov.in** and **www.sebi.gov.in**.

Chapter 12

ENTITIES AND CONCERNED REGULATORY BODIES

12.1 Given below is a list of types of companies/intermediaries/service providers/activities in the financial market. The names of the relevant bodies that regulate them and their website addresses are given in the second and the third columns.

Type of Entity/Activity	*Regulatory body*	*Website*
Auditors	ICAI/CAG	www.icai.org www.cag.gov.in
Banks	RBI	www.rbi.gov.in
Banks –Issue Collection	SEBI	www.sebi.gov.in
Chit Funds	REG. OF CHIT FUNDS	–
Collective Investment Schemes	SEBI	www.sebi.gov.in
Companies – All	MCA/ROC	www.mca.gov.in
Companies – Listed	MCA/ROC/ SEBI/CEs	www.mca.gov.in www.sebi.gov.in
Company Secretaries	ICSI	www.icsi.edu
Competition	CCI	www.cci.gov.in
Cooperative Banks	RBI	www.rbi.gov.in
Cost Accountants	ICWAI	www.icmai.org
Credit Rating Agencies	SEBI	www.sebi.gov.in
Custodial Services	SEBI	www.sebi.gov.in

Type of Entity/Activity	*Regulatory body*	*Website*
Debenture Trustees	SEBI	www.sebi.gov.in
Depositories	SEBI	www.sebi.gov.in
Depository Participants	SEBI/NSDL/CDSL	www.sebi.gov.in www.nsdl.co.in www.cdslindia.com
Foreign Investment Institutions	SEBI	www.sebi.gov.in
Housing Finance Companies	NHB	www.nhb.org.in
Insurance Brokers/ Agents	IRDA	www.irdaindia.org
Insurance Companies	IRDA	www.irdaindia.org
Investment Bankers	SEBI	www.sebi.gov.in
Investor Associations	SEBI	www.sebi.gov.in
Media (Print/Electronic)	MIB	www.mib.nic.in
Mutual Funds	SEBI	www.sebi.gov.in
Mutual Fund Brokers/ Agents	SEBI/AMFI	www.sebi.gov.in www.amfiindia.com
New Pension Scheme (NPS)	PFRDA	www.pfrda.org.in
Non-Banking Financial Companies	RBI	www.rbi.gov.in
Nidhi Companies	MCA	www.mca.gov.in
Plantation Companies	SEBI	www.sebi.gov.in
Portfolio Managers	SEBI	www.sebi.gov.in
Registrars/Share Transfer Agents	SEBI	www.sebi.gov.in
Serious Frauds	SFIO	www.sfio.nic.in
Stock Brokers	SEBI/SE	www.sebi.gov.in
Stock Exchanges	SEBI	www.sebi.gov.in
Sub-Brokers	SEBI	www.sebi.gov.in
Venture Capital Funds	SEBI	www.sebi.gov.in

MCA OFFICES FOR INVESTOR GRIEVANCES REDRESSAL

MAIN OFFICE

Ministry of Corporate Affairs
5th Floor, A-Wing, Shastri Bhawan, New Delhi - 110 001
Phone : 23383180 Fax : 23386068

NORTHERN REGION

Office of Regional Director

A-14, Sector - I , PDIL Bhavan, NOIDA (UP)

Office of Registrar of Companies (Jammu & Kashmir)

Hall Nos. 405-408, Bahu Plaza, South Block, Rail Head Complex
Jammu - 180 012

Office of Registrar of Companies (Punjab, Chandigarh & Himachal Pradesh)

Corporate Bhawan

Plot No. 4-B, Sector-27-B, Madhya Marg, Chandigarh-160 019

Office of Registrar of Companies (Delhi & Haryana)

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019

Office of Registrar of Companies (Uttar Pradesh & Uttrakhand)

10/499-B Allenganj, Khalasi Lines, Kanpur - 208 002

WESTERN REGION

Office of Regional Director

Everest Building, 5th floor, 100 Marine Drive,Mumbai-400 002

Office of Registrar of Companies (Maharashtra)

Everest Building, 1st Floor, 100 Marine Drive, Mumbai - 400 002

Office of Registrar of Companies (Pune)

PMT Building, 3rd Floor, Deccan Gymkhana, Pune - 411 004

Office of Registrar of Companies (Goa , Daman & Diu)

Company Law Bhavan, EDC Complex, Plot No. 21, Patto, Panaji, Goa - 403 001

EASTERN REGION

Office of Regional Director (Eastern Region)

Nizam Palace, 2nd MSO Building, 3rd Floor, 234/4, A.J.C.B. Road, Kolkata - 700 020

Office of Registrar of Companies (West Bengal)

Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700 020

Office of Registrar of Companies (Orissa)

Corporate Bhawan, 3rd Floor, Plot No. 9(P), Sector 1, CDA, Cuttack – 753 014

Office of Registrar of Companies (Bihar & Jharkhand)

Maurya Lok Complex, Block A, West Wing, 4th Floor, Dak Bunglow Road, Patna – 800 001

Office of Registrar of Companies

House No. 239, Road No. 4, Magistrate Colony, Dorande, Ranchi - 834 002

NORTH-WESTERN REGION

Office of Regional Director

Registrar of Companies Bhavan

Opp. Rupal Park Society, Naranpura, Ahmedabad - 380 013

Office of Registrar of Companies (Gujarat)

ROC Bhavan, Opp Rupal Park Society, Ahmedabad - 380 013

Office of Registrar of Companies (Rajasthan)

Corporate Bhawan, 2nd Floor, G/6-7, Residency Area, Civil Lines, Jaipur - 302 001

Office of Registrar of Companies (Madhya Pradesh & Chattisgarh)

3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj
Gwalior - 474 009

SOUTHERN REGION

5th Floor, Shastri Bhavan, 26, Haddows Road, Chennai - 600 006

Office of Registrar of Companies Tamil Nadu (Coimbatore)

Stock Exchange Building, 2nd Floor, 683, Trichy Road, Singanallur, Coimbatore - 641 005

Office of Registrar of Companies Tamil Nadu (Chennai)

Block 6, B Wing, 2nd Floor, Shastri Bhavan, 26, Haddows Road
Chennai - 600 006

Office of Registrar of Companies (Puducherry)

No. 35, First Floor, Elango Nagar, Puducherry - 605 011

SOUTHERN EASTERN REGION

Office of Registrar of Companies

2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti
Hyderabad - 500 195

Office of Registrar of Companies (Kerala)

1st Floor, Corporate Law Bhawan, BMC Road, Trikkakara
Kochi - 682 021

Office of Registrar of Companies (Andhra Pradesh)

3-5-398, Kendriya Sadan, 2nd Floor, Bazar, Koti Hyderabad - 500 095

Office of Registrar of Companies (Karnataka)

2nd Floor, E Wing, Kendriya Sadan, Koramangala
Bangalore-560034

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