



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India



Secondary Market

-

How to Buy & Sell Shares in Stock Exchange?

Disclaimer



- ❖ Information contained in this presentation is as on September 30, 2022.
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- Pre-Trade Preparation
- How to Place Orders?
- Post Trade Checks
- Margin Payment and Pledge/ Re-Pledge of Securities

Pre – Trade Preparation

Why is Pre-Trade Due Diligence needed ?



Investment without analysis is like driving on a highway blindfolded.

Pro active approach enabling investors to know about the prospective investment.

Better understanding about the past performance and secure future growth of the investment

Due Diligence to be done

- Underlying factors that affect a company's actual business and its future prospects.
- Questions to ask before investing include -

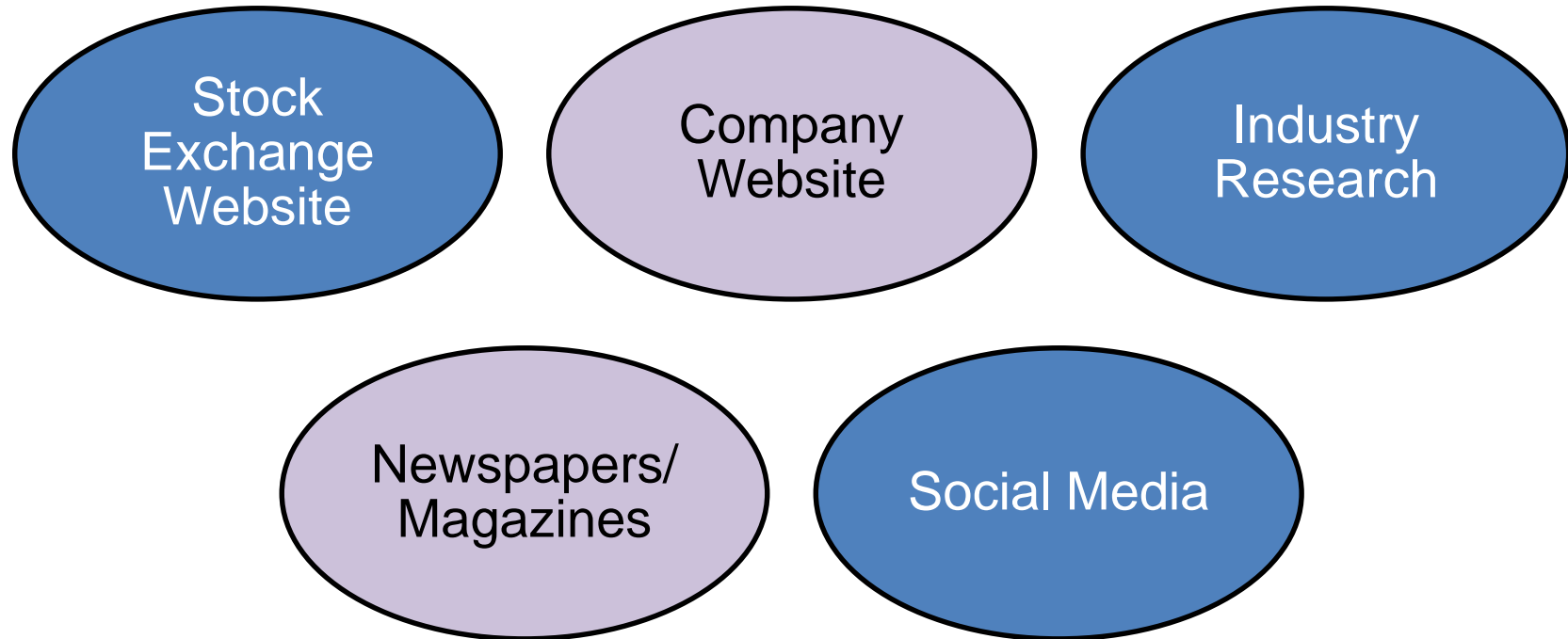
Is the company's revenue increasing?

Is the company actually making a profit?

Is the company able to repay it's debts?

Is the company in a position strong enough to compete with its peers?

Due Diligence to be done



How to do Due Diligence?

Review:

- Data related to current economic environment affecting company's growth and stock price.
- Company's financial health : examining cash flow statement, income statement and balance sheet for at least past 2 years.
 - Latest price and volume, historical data, corporate announcement, etc.
 - P/E ratio and intrinsic value of the share

Understand:

- Business model of the company with respect to future growth

Compare:

- Target Company and its competitors to understand the worth of the Target Company.

Important factors and metrics for Due Diligence



- Reputation of **Promoters** & **Shareholding / pledged shares** of the Company.
- Scope/Growth/Competition/Profitability/Structure of Industry of the Company.
- Financials of the Company viz. **Earnings per Share (EPS), Price to Earnings Ratio (P/E), Book Value**, etc.
- **Cash Flows** from operations.
- Past Growth track record of **sales turnover** & **profitability**.
- Dividends paid by company in last 5 years.
- Debt of the Company.
- Corporate Governance Track record.

How to Place Orders?

Place Order: Modes

- Visit to broker's Office.
- Trade via Phone Call.
- Through an email to Stock Broker.
- By using Stock broker's website / app on mobile (Online).

Place Order : Visit to Broker's Office (1/2)



- Check whether the Stock Broker Offers facility to trading by visit to Stock Broker's Office.
- Need to select Offline Mode of trading in the Account Opening Form.
- On opening a new Account, Stock brokers provide a **Welcome Kit** to every new investor.
- Contents of Welcome Kit :
 - UCC (Unique Client code).
 - **Dealing office address.**
 - Designated Email id and phone number of Stock broker.
 - Timings for placing orders.
 - Brokerage / Service Charges (For online & offline trades).
 - Details of Relationship Manager (if any).

Place Order : Visit to Broker's Office (2/2)



Steps for Trading by visit to Stock Broker's Office

Visit the Designated Branch of the Stock broker and make an entry in the visitor's register at the premises of the Stock Broker.

Get quote for the scrip you want to trade on.

Mention scrip, price, quantity, type of order you want to place, the exchange on which you want to execute, while placing order to the Stock broker.

Provide proof of placement of order to the Trading Member.
Verify trades at the end of the trading session.

Trades are subject to payment of **Margins** (Explained in later slides).

Place Order : By Phone “Call & Trade”

- Check whether Stock Broker offers facility to trade via Phone Call. All phone calls for placing orders with dealers are recorded.

Steps for Trading by Phone Call

Call the **phone number** given by the Stock Broker for placing of Orders from the Mobile number registered with the Stock broker



Call should connect to the “**Call & Trade**” facility desk of the Stock Broker



Confirm identity details – Name, Date of birth, PAN number etc



Place your Order – Scrip details, Quantity, Type of order etc



Trading account will be updated on successful execution of the order.

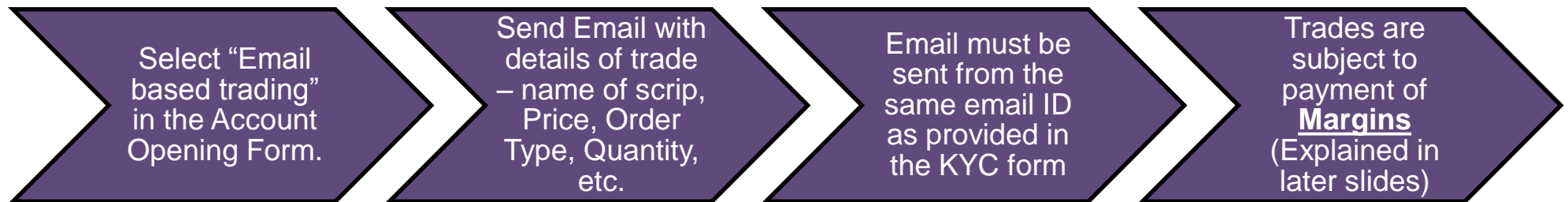


Trades are subject to payment of **Margins** (Explained in later slides)

Place Order : By Email

- Check whether Stock Broker offers facility to trade via Email. All phone calls for placing orders with dealers are recorded.

Steps for Trading by Email



Place Order : Online (Website/ App)

Steps for Trading Online

Link your Trading, Demat and Bank Account.



Sign the IBT (Internet based trading) agreement after checking the costs involved and the facilities provided.



Visit website of the Stockbroker / Install the Online Trading app.



Investor must login using Username and Password provided.



Some Stock Brokers also have 2-Factor verification system where additional OTP also needs to be entered.



Check current price and volume details of stock you want to buy/ sell on **Market Watch** Section of the Stock broker's terminal.

Place Order : Online (Website/ App)

Market Watch Section :

- Allows investor to check details of the stock that he wants to buy/ sell.
- Information Displayed in Market Watch:
 - **Last Traded Price (LTP).**
 - **Percentage change** – % Change from previous day close.
 - **Previous day close** – At what price did the stock closed the previous day.
 - **O.H.L.C** – Open, High, Low and Close Prices.
 - **Volumes** – How many shares are being traded at a particular point of time?
 - **Bid and ask price** ladder.

Place Order : Online (Website / App)

- Always check the Orders available for the shares of the scrip before placing your order.
- This gives idea of supply and demand (what quantity available for what price) of the shares.

Sample Order Availability Screen

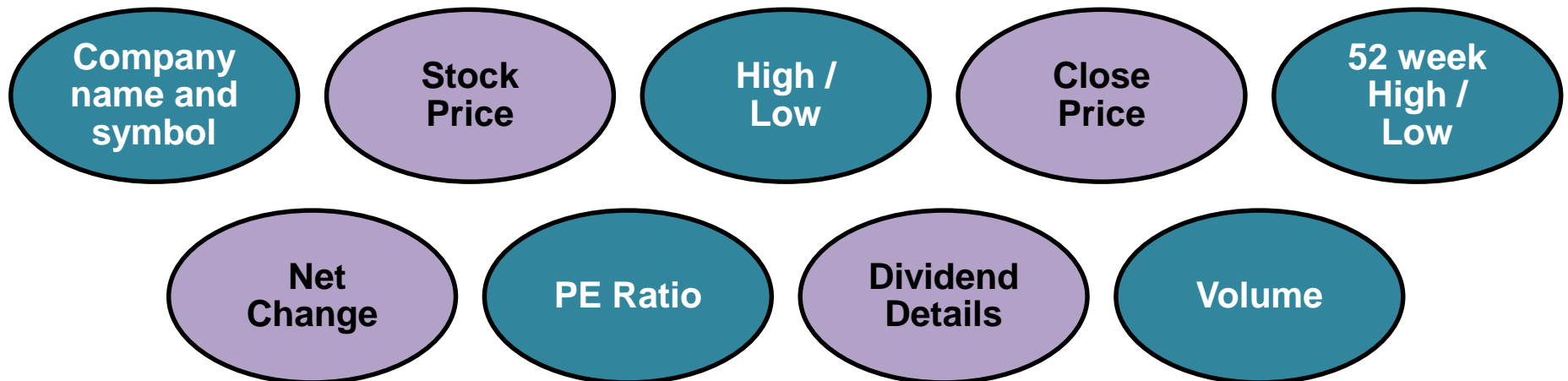
SCRIP NAME						
BID	ORDERS	QTY		BID	ORDERS	QTY
240	15	5000		241	6	500
239	50	10000		242	54	264
238	36	6800		243	38	398
237	52	2400		244	21	8500
236	35	9000		245	56	412
Open	250					
High	251					
Low	240					
Close	246					
Volume	65000					
Avg Price	248					
LTQ	635					

- Select the stock you want to trade in.
- Place the order for Buy / Sell for a specified quantity and a specified price

Place Order : Stock Quote

- **Stock Quote:**
 - Contains data points about stock of a company.
 - Valuable tool to get a brief snapshot of a company.

➤ Details in a Stock Quote



Place Order : Types of Orders

PRODUCT CODES

MIS – Margin Intraday Square-off	<ul style="list-style-type: none"> - For Intraday trading. - Investor needs to pay margin under intraday framework to use leverage provided by Stock Broker. - Positions automatically squared off at EOD.
CNC – Cash and Carry	<ul style="list-style-type: none"> - For delivery based trades. - No leverage. - Investor must have stock in his Demat account for selling. - Positions not automatically squared off at EOD.
NRML – Normal (For F&O Trading)	<ul style="list-style-type: none"> - For overnight trading of futures and options. - Investor needs to pay margin under overnight framework to use leverage provided by Stock Broker. - Positions not automatically squared off at EOD.

Place Order : Types of Orders

ORDER TYPE	
Limit (L)	- Buy only if price falls to certain level.
Market (Mkt)	- Buy/Sell at price offered on market
Stop Loss (SL)	- Sell as soon as price goes below a certain level (Trigger Price).

Place Order : Sample Order Screen

ORDER PLACEMENT

Order Type ☒ Limit ☒ Market

Quantity _____

Price Rs. _____

Trigger Price (Stop loss) Rs. _____

Validity ☒ Day ☒ IOC

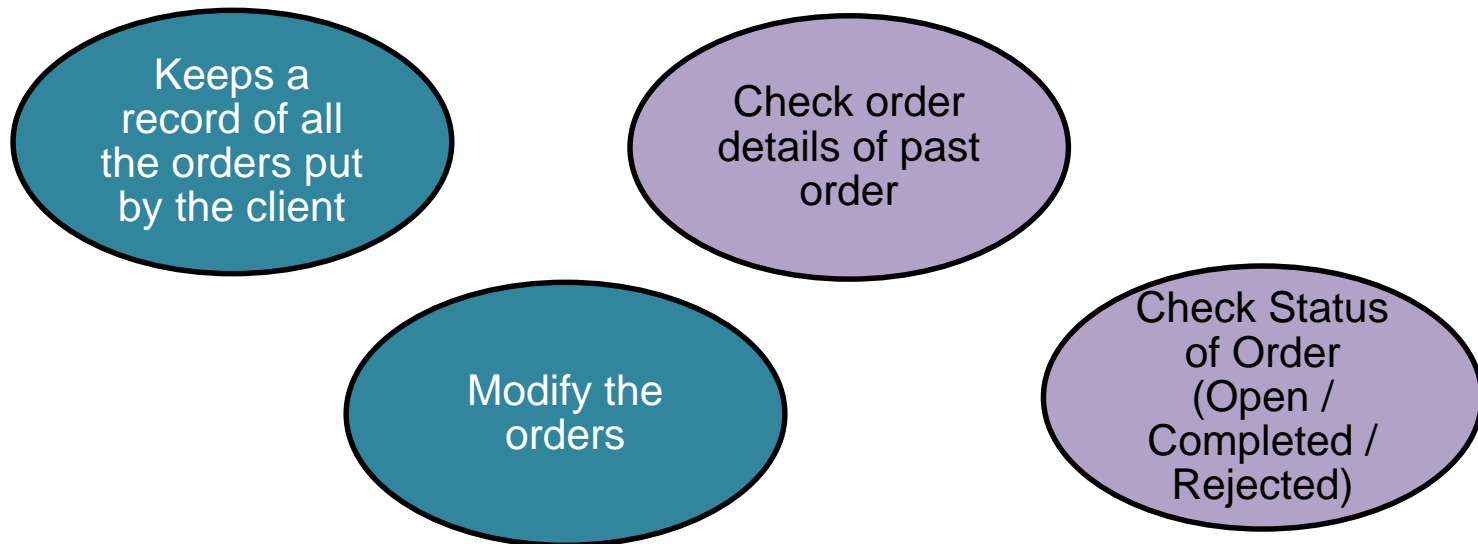
Place order →

(IOC – Immediate or Cancel: An order to buy or sell a security that attempts to execute all or part order immediately and then cancels any unfilled portion of the order).

Place Order : Client Order Book



➤ Purpose of Order Book :



➤ Trading History :

- Once Order is placed and trade get executed, details are trade are visible on Trade history Page.
- Prior to execution of trade one can Modify Order.

Place Order : Precautions to be taken for online modes (website/apps) (1/3)



- Fully understand the system, features and meaning of each option.
- **Good practices for Trading Password**
 - Make your trading password complicated and difficult to guess.
 - Avoid simple hack-able passwords like your name, your surname, date of birth, marriage anniversary, etc.
 - Do not ever write down your password on a piece of paper for the sake of future reference.
 - Never share your log in details with anybody else.
 - Web browsers offer you the facility to remember your password. Investors are advised to avoid using this.

Place Order : Precautions to be taken for online modes (website/apps) (2/3)



- Avoid accessing your internet account from cyber cafes. Most of the cyber cafes do not use proper anti-virus and anti-phishing software, which means your password can be easily stolen.
- On your personal PC or laptop, always ensure that the virus protection is up-to-date.
- Be wary of fraudulent phone calls and emails which try to elicit details of your trading and bank accounts.
- Never let your trading screen remain unattended at any point of time.
- Always remember to log out of your trading account when you are through instead of just closing the window.
- Regularly clear the cache files in your web-browser (Google Chrome, Internet Explorer, etc.) memory.

Place Order : Precautions to be taken for online modes (website/apps) (3/3)



- Avoid accessing your internet trading account through free wi-fi offered at airports, malls etc. These are often unsecure networks.
- Before you trade ensure that your trading address starts with **https://** and not **http://** to be doubly sure that it is a secured site.
- Regularly cross check your personal trade sheet, your order book and your trade book.
- Regularly check the contract notes and reconcile it with your bank account and demat account at least once a week.

One Time Password (OTP) for off-market transfer



- **Off-Market Transfer:** Trades which are not settled through the Clearing Corporation/Clearing House of an exchange are classified as “Off Market Trades”.
- To prevent fraudulent off-market transfer in demat account of client,
 - One level client authentication introduced
 - Client consent required through One Time Password (OTP)
 - For Off-market transfer of shares in Demat account

Post-Trade Checks

Post-Trade: Trade Confirmation by Stock Exchange



➤ Trade Confirmation by SMS

- At End of Day, Exchange sends SMS & Email containing information of trade.
- SMS: Contains value traded on a day (Sample SMS provided)

Example of Trade Confirmation:

*“Dear (PAN No.), Your Traded Value for <Date> <Seg> <Rs.----- >.
Check your registered email id. For details contact broker.”*

Post Trade: Trade Confirmation by Stock Exchange



➤ Trade Confirmation by Email

- Contains breakup of trades executed through a TM on a day
- Email will come from domain of Stock Exchange

From: NSE-Direct <nse-direct@nse.co.in>
Date: Thu, Jul 2, 2020 at 2:54 PM
Subject: Trades executed at NSE
To: <shanhat14@gmail.com>

Dear Investor,

With reference to SEBI circular ref no. CIR/MIRSD/15/2011 dated August 02, 2011, a SMS and email facility has been provided for ease and convenience of verification of trades.

Information pertaining to your transactions (Traded value is quantity traded multiplied by trade price) for 01-JUL-2020 is attached below. Please follow the procedure given below for opening the attachment:

1. Click on the attachment provided with this mail
2. You will be prompted for your password.
3. The password is your PAN number in upper case.
4. Please check the first 3 letters of PAN provided in the mail attachment, to avoid mistakes

The data is being provided to the clients on an "as is" and "where-is" basis, without any warranty. The Exchange shall not be liable for any delay or any other interruption which may occur in providing the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the Exchange to send the data. In no event shall the Exchange be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data provided by the Exchange through this facility.

Source : <https://www.nseindia.com/>

Post Trade: Trade check / verification on Stock Exchange Website (1/4)



Trade verification facility available on the Exchange Website

- The data on trades would be available on T+1 day.
- At any given point in time 10 trading days' data would be available for verification.
- Please ensure to provide / update latest email address and mobile number to trading members.
- Review with trading members the status of upload of email address and mobile numbers on the Stock Exchange's Online System to ensure receipt of trade alerts.

Post Trade: Trade check / verification on Stock Exchange Website (2/4)



The screenshot shows the NSE India website at the URL [nseindia.com/invest/first-time-investor-trade-verification](https://www.nseindia.com/invest/first-time-investor-trade-verification). The page is titled "VERIFY YOUR TRADES". On the left, a sidebar under "Resources & Tools" lists various services, with "Verify your Trades" highlighted. The main content area explains the Trade Verification module, stating that data is available on T+1 day. It also mentions that based on SEBI advice, the exchange has been sending transaction details to investors. A note states that from April 1, 2015, trade alerts through SMS/Email are no longer provided to investors who have opted for the same on the Trade Verification module. At the bottom, there are two buttons: "Click here to login" and "Click here to Sign Up", both of which are circled in red.

YOU ARE ON THE NEW NSE WEBSITE, ACCESS THE OLD WEBSITE ON THE URL www1.nseindia.com OR CLICK HERE

Search by company name, symbol or keyword

Current Trading Date - 17-Aug-2020

HOME MARKET DATA **INVEST** LIST TRADE REGULATION LEARN RESOURCES

Home > Invest > Resources & Tools > Check Trades/ Bids > Verify your Trades

VERIFY YOUR TRADES

First time Investor (+)

Resources & Tools (-)

- Find a Stock Broker
- Company Directory
- Check Trades/ Bids
- Verify your Trades**
- Verify SGB Bids
- Verify IPO Bids
- Exit Option for shareholders (+)
- Regulatory Actions
- NSE Mobile Application

Verify your Trades

Trade Verification module is a very simple tool to verify trades executed in your account. The data on trades would be available on T+1 day. At any given point in time 10 trading days' data would be available for verification. Data for non-proprietary and non-institutional trades would only be available here.

Based on Securities and Exchange Board of India (SEBI) advice, w.e.f. 15th October 2012, The Exchange has been sending the details of the transactions to all non-proprietary & non-institutional investors, by the end of trading day, on the mobile number and/or email address which are registered by their trading members on NSE's UCI Online System. NSE's UCI Online System is a facility provided for the trading members to upload the details of their clients such as name, mobile number, email address, correspondence address etc.

In view of the above, investors are requested to ensure that they provide / update latest email address and mobile number to their trading members. Further they may review with their trading members the status of upload of their details on the NSE UCI Online System to ensure receipt of trade alerts.

Investors may please note that with effect from April 1, 2015, trade alerts through SMS / Email shall not be provided to investors who have opted for the same on Trade Verification module as the same is already being provided to all investors mandatorily.

[Click here to login](#)

[Click here to Sign Up](#)

Source : <https://www.nseindia.com/>

Post Trade: Trade check / verification on Stock Exchange Website (3/4)



The screenshot shows the BSE India website's Trade Check System interface. At the top, the BSE logo is on the left, and the S&P BSE SENSEX index is on the right, showing a value of 38,818.71 with a green increase of +383.99 (+1.00%) as of 24 Aug 20 at 13:58. Below the header is a navigation menu with 'Menu', 'Investors' (highlighted), 'Investor Services', 'Investor Complaints', 'Arbitration & Regulatory', and 'Equity Derivatives - Di'. The breadcrumb trail reads 'Home > Investors > Investors Services > Trade Check System'. The main heading is 'Trade Check System'. Below it, a prompt says 'Enter your order / trade details.' The form includes: 'Segment' (dropdown menu), 'Trade Date' (dropdown menu), 'Security Code / Series ID' (text input), 'Client Code' (text input), and a choice between 'Order No.' (selected) and 'Trade No.' (radio buttons) with a corresponding text input. A note states 'All fields are mandatory.' At the bottom are 'Find' and 'Reset' buttons.

BSE
EXPERIENCE THE NEW

S&P BSE SENSEX 38,818.71
+383.99 +1.00%
24 Aug 20 | 13:58 | Open

Menu ▾ Investors Investor Services ▾ Investor Complaints ▾ Arbitration & Regulatory ▾ Equity Derivatives - Di

Home > Investors > Investors Services > Trade Check System

Trade Check System

Enter your order / trade details.

Segment

Trade Date

Security Code / Series ID

Client Code

☒ Order No. ☐ Trade No.


All fields are mandatory.

Find **Reset**

Source : <https://www.bseindia.com/>

Post Trade: Trade check / verification on Stock Exchange Website (4/4)





METROPOLITAN STOCK EXCHANGE

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24 August 2020

f t in

Eng

Enter company name or symbol

Get Quote

SX40 22,558.58
0.00 0.00%

ProductsMarketIndicesCorporatesMembersMCCILInvestorsMediaKnowledge CenterTechnologyDownloads

Market > Currency Derivatives > Trade Verification

ALL Menu

Equities >

Currency Derivatives >

Equity Derivatives >

Interest Rate Derivatives >

Debt >

Exchange Traded Fund

Periodic Updates

Data available from 10-Aug-2020 to 21-Aug-2020

All fields are mandatory

☐ EQ ☒ CD & IRF ☐ EDS

Client Code

PAN

Member Name

From Date (DD/MM/YYYY)

To Date (DD/MM/YYYY)

10-08-2020

21-08-2020

NEXT

RESET

Source : <https://www.msei.in/>

Post Trade: Contract Note



What is a Contract note?

- Record of any transaction.
- Confirmation of trade done.
- In case of discrepancy, contact your broker immediately.

What does a Contract Note contain?

- Details of transaction.
- Date, Time, Price, Quantity, Trade ID, various charges/ levies, etc.

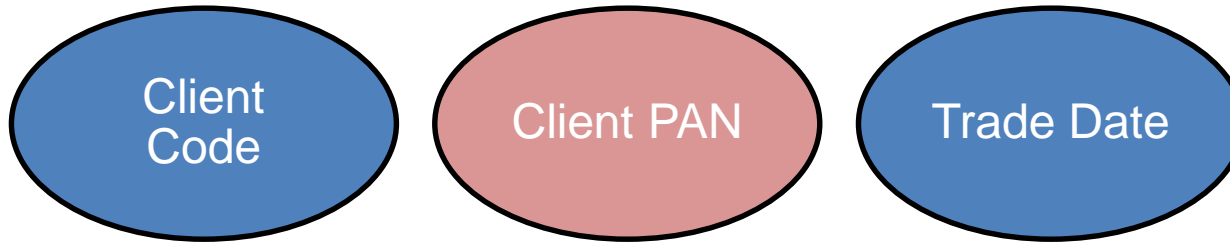
How to receive a Contract Note?

- Within 24 hours from the date of trade execution.
- E-Contract Note sent to registered email ID.
- Can opt for Physical Contract Note.
- Quarterly statement of funds and securities .

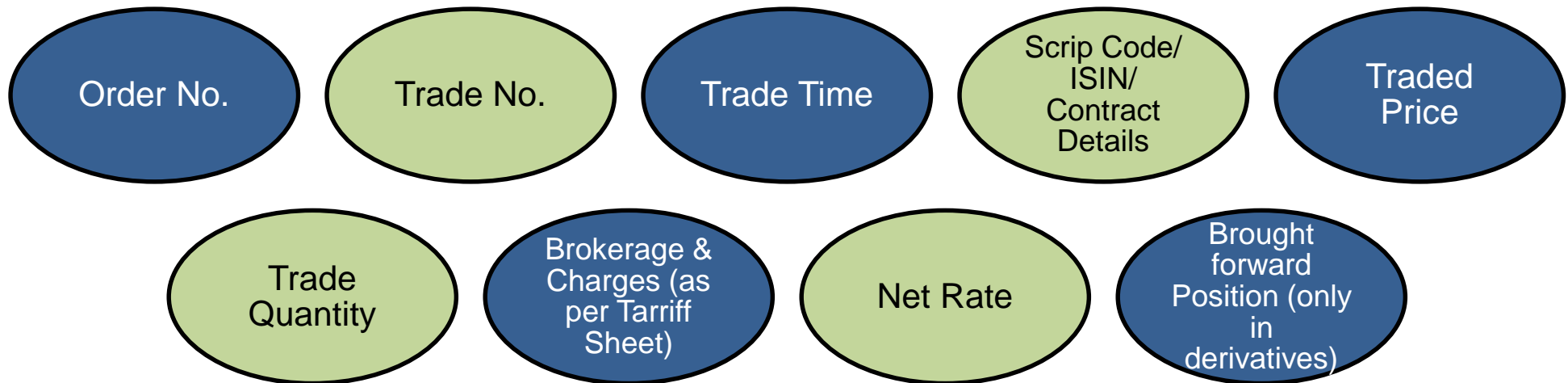
Post Trade: What should a Contract Note Contain?



➤ Basic details:



➤ Details for each trade executed (Buy/ Sell):



Any discrepancies observed in the Contract Notes should be brought to the notice of your TM in writing, immediately

Post Trade: Sample Contract Note (1/2)



CONTRACT NOTE CUM TAX INVOICE (Tax Invoice under Section 31 of GST Act)

NAME OF THE MEMBER, LOGO OF THE MEMBER
SEBI REGISTRATION NO. ADDRESS, TELEPHONE NO, FAX NO AND WEBSITE
NAME OF COMPLIANCE OFFICER HIS/ HER EMAIL & TELEPHONE NO., EMAIL ID FOR INVESTOR COMPLAINT
DEALING OFFICES ADDRESS, TELEPHONE NO, FAX NO

CONTRACT NOTE NO.			Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment
TRADE DATE		SETTLEMENT NO.			
		SETTLEMENT DATE			
Name of the Client Address of the Client State/State Code (Place of supply) PAN of Client UCC of Client Trading Back office code* GST Identification No. of client (if available)		GIVE EXCHANGE-WISE / SEGMENTWISE SETTLEMENT NO. & DATES			

	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment
*Trading/ Back Office Code (If Different from UCC)				

Sir/ Madam,

I / We have this day done by your order and on your account the following transactions:

Order No.	Order Time	Trade No.	Trade Time	Security/ Contract description	Buy (B)/ Sell (S)	Quantity	Gross Rate/ Trade Price Per unit (Rs)	Brokerage per Unit (Rs)	Net Rate per Unit (Rs)	Closing Rate per Unit(only for Derivatives) (Rs.)	Net Total (Before Levies) (Rs)	Remarks
Name Of Exchange & Segment												
Position Brought Forward in case of Derivatives (Where applicable)												
Trade 1												
Trade 2												
Trade N												
Name Of Exchange & Segment												
Position Brought Forward in case of Derivatives (Where applicable)												
Trade 1												
Trade 2												
Trade N												

Post Trade: Sample Contract Note (2/2)



Name Of Exchange & Segment									
Position Brought Forward in case of Derivatives (Where applicable)									
Trade 1									
Trade 2									
Trade N									

	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment	Name Of Exchange & Segment	TOTAL (Net)
PAY IN/ PAY OUT OBLIGATION							
Taxable value of supply							
Securities Transaction Tax (Rs.)							
CGST*	Rate						
	Amount (Rs.)						
SGST*	Rate						
	Amount (Rs.)						
IGST*	Rate						
	Amount (Rs.)						
UTT*	Rate						
	Amount (Rs.)						
Exchange Transaction Charges (Rs.)							
SEBI turnover Fees. (Rs.)							
Stamp Duty (Rs.)							
Net amount receivable by Client / (payable by Client) (Rs.)							

* CGST - Central GST, SGST - State GST, IGST - Integrated GST, UTT - Union Territory Tax. Details of trade-wise levies shall be provided on request

Transactions mentioned in this contract note cum bill shall be governed and subject to the Rules, Bye-laws and Regulations and Circulars of the respective Exchanges on which trades have been executed and Securities and Exchange Board of India from time to time. The Exchanges provide Complaint Resolution, Arbitration and Appellate arbitration facilities at the Regional Arbitration Centres (RAC). The client may approach its nearest centre, details of which are available on respective Exchange's website. Please visit www.nseindia.com for NSE, www.bseindia.com for BSE and www.mseil.in for MSEI.

Date:

Place:

Yours faithfully,

For

(Name of Trading Member)

Post Trade: How to make payment to Stock Broker (Buy Trade)?



PAY-IN OF FUNDS:

- **Stocks:** Before T+2
- **Derivatives:** Before T+1
- Only Cheque / NEFT / RTGS to TM
- Transfer from the bank account linked with client code only
 - In 3-in-1 Accounts, funds are automatically deducted from linked Bank Account
- Confirmation to be obtained from the TM for receipt of funds

PAY OUT OF SECURITIES:

- Shares should be received in Beneficiary Account of investor within 24 hours of payout.

CASH DEALING IS STRICTLY PROHIBITED

*T+1 Settlement cycle is introduced in phase manner from February 25, 2022

Post Trade: How to make payment to Stock Broker (Sell Trade)?



PAY-OUT OF FUNDS:

- **Stocks:** On T+2
- **Derivatives:** On T+1
- Stock Broker to transfer funds to the client (investor) within 24 hours of payout.

PAY-IN OF SECURITIES:

- Investor is advised to confirm the availability of shares prior to executing sale of shares.
- In case POA has not been given, ensure transfer of shares by giving a filled in DIS Slip

- T+1 Settlement cycle is introduced in phase manner from February 25, 2022
- Complete list of stock is available on stock exchange website

Post Trade: Default of pay-in obligation and short delivery of shares



Default of Pay- In Obligation and Short Delivery of Shares

Delayed payment Charges:

- Levied when investor **delays the payment** beyond the pay-in time on the settlement day.
- Levied to discourage delayed payment from investors.

Auction of securities in case of default:

- When investor **does not deliver** securities by pay-in time on the settlement day.
- For all such “short deliveries”, Clearing Corporation conducts a “buying-in auction” on the settlement day (T+2), after completion of the pay-out, through the exchange trading system.

Settlement of Funds:

- Pay-Out happens on T+2 Basis.
- Settlement of funds and / or securities to be done within one working day of the pay-out (unless it is a “Running Account”).
- T+1 settlement cycle is introduced in phase manner from Feb 25, 2022. Complete list of stock is available on stock exchange website.

Running Account Authorization :

- Running account of client's securities discontinued w.e.f. Sep 01, 2019.
- Funds and securities maintained on a running account basis have to be settled by Broker in 30/90 days, as per the client mandate.
- If no trade in 30 days, return of balance funds within 3 working days.
- Stock broker to retain client funds to extend of following:
 - Pay-in obligation of funds
 - 225% of total margin liabilities

Post Trade: Checking Credit of Shares (Delivery Trades)



Credit of shares happens on T+2 day



Shares debited from Seller Client A/C: Around 11 AM.
Subsequently shares come to Pool A/C of Broker



Broker credit these shares to Account of Buyer by EOD.



Investor should insist that shares be transferred to his own Demat A/C and avoid leaving shares in Stock Broker's Pool Account.



On T+3 day, client should check his Demat A/C for the receipt of shares

➤ Check your Demat statement on Depository website :

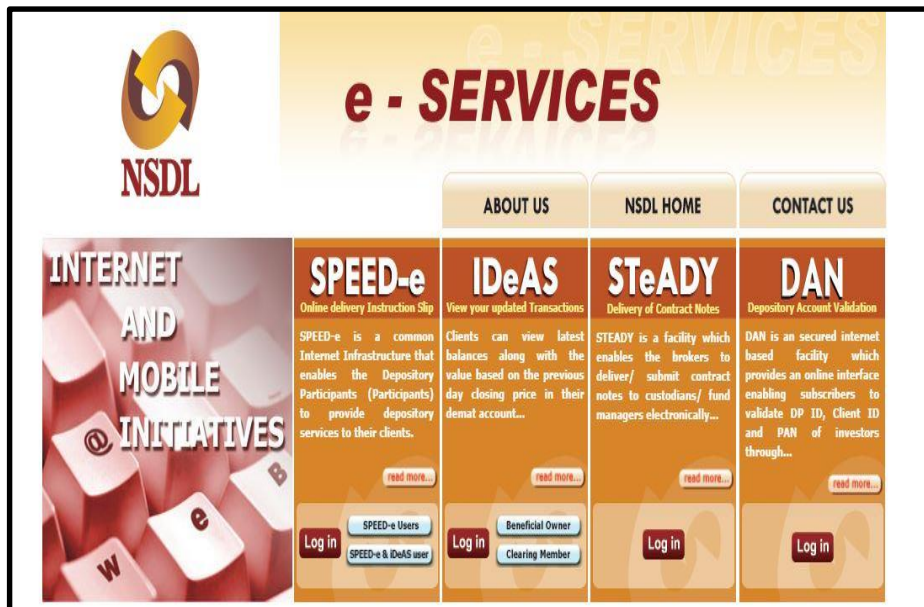
- ✓ **NSDL** – NSDL IDeAS Speed-e: <https://eservices.nsdl.com/>
- ✓ **CDSL** – CDSL Easi: <https://www.cdslindia.com/Footer/Easi.html>

Post Trade: Checking Credit of Shares (Delivery Trades)



Check your Demat statement on Depository website:

✓ **NSDL – NSDL : IDeAS**
<https://eservices.nsdl.com/>



✓ **CDSL – CDSL : Easi**
<https://www.cdslindia.com/Footer/Easi.html>



IDeAS : Registration Process (1/2)



e - SERVICES


Direct Registration for IDeAS facility

DP ID*
Client ID*
Mobile Number*
Verification Code* 
 Play Audio
(Enter Text from Image)

* Mandatory fields

Best viewed on Internet Explorer version 6.0, 7.0 and 8.0

Step 1



e - SERVICES


Direct Registration for IDeAS facility - Authorization

Please select any one of the following options for verification of demat Account

Option 1 ☐ Bank Account No.
Bank Account No.(Last 4 digits)
Bank Account No. captured in the demat Account

Option 2 ☐ One Time Password(OTP)
Enter OTP

Step 2



e - SERVICES

Direct Registration for IDeAS facility - Submission

User ID
(Please Enter a User Id of Your Choice)

Personal Details

User Name
Date of Birth
Email
Password
Confirm password


Account Details

DP ID
DP Name
Client ID
First Holder Name
Second Holder Name
Third Holder Name

All fields are mandatory
☐ Use Virtual Keyboard

Virtual Keyboard
~ 1 2 3 4 5 6 7 8 9 0 - = Bksp
Tab q w e r t y u i o p [] \
Caps a s d f g h j k l ; ' Enter
Shift z x c v b n m , . / Shift

Step 3




e - SERVICES

Direct Registration for IDeAS facility - Confirmation

User ID
Personal Details
User Name
Date of Birth
Email
Account Details
DP ID
DP Name
Client ID
First Holder Name
Second Holder Name
Third Holder Name
☐ I have read, understood and agree to the [terms and conditions](#) for using IDeAS.

Step 4

IDeAS : Registration Process (2/2)




IDeAS

Direct Registration for IDeAS facility - Acknowledgemnt

Congratulations!

You have successfully registered for IDeAS facility. Please [click here](#) to access IDeAS facility.

Step 5



IDeAS

Existing users

Input Data

User Id

Password

☐ Use Certificate
☐ Use Virtual Keyboard

Virtual Keyboard

1	2	3	4	5	6	7	8	9	0	=	Back
Tab	q	w	e	r	t	y	u	i	o	p	\
Caps	a	s	d	f	g	h	j	k	l	;	Enter
Shift	z	x	c	v	b	n	m	,	.	/	Shift

Entrust Secured

Note : Smart Card Users should log-in with their User Id, select the "Use Certificate" option and click on Login button.

NEW

Now you can download NSDL Mobile App and view latest balances available in your demat account. [Click Here](#) to know more about NSDL Mobile App.

Note : All Users are hereby requested to note that the application will not support Internet Explorer Version 8.0 and lower from 15th June 2019. All Users who are using Internet Explorer Version 8.0 and lower are requested to upgrade the Internet Explorer Version 11.6.

DISCLAIMER All information provided in SPEED-e is obtained by NSDL from sources believed to be accurate and reliable. read more...

Step 6

View/Change Email ID

Welcome!

Dear Customer,

SPEED-e IDeAS facility is enhanced to give you the ability to reset the password (in case you forget) by entering few parameters on eServices website. The new password will be sent to your email address registered on **SPEED-e IDeAS** facility. In this regard, your email address available with us may have changed over a period of time. We therefore request you to update the email address in case of any change.

In case there is no change to the below displayed email address, we request you to click on the 'Confirm' button to proceed ahead. You will appreciate the updated email address will help us serve you better.

Regards,
NSDL

Email ID

Do you wish to change your email ID? If yes, please click on 'Change Email ID' or else click on 'Confirm' to continue.

Step 7

View/Change Email ID Acknowledgement

Email ID

Email ID has been confirmed successfully

Step 8

SPEED-e: Registration Process (1/4)



INTERNET AND MOBILE INITIATIVES

1. **SPEED-e**
Online delivery Instruction Slip
SPEED-e is a common Internet Infrastructure that enables the Depository Participants (Participants) to provide depository services to their clients.
[read more...](#)
Log in
SPEED-e Users
SPEED-e & DeAS user

2. **IDeAS**
View your updated Transactions
Clients can view latest balances along with the value based on the previous day closing price in their demat account...
[read more...](#)
Log in
Beneficial Owner
Clearing Member

3. **STeADY**
Delivery of Contract Notes
STeADY is a facility which enables the brokers to deliver/ submit contract notes to custodians/ fund managers electronically...
[read more...](#)
Log in

4. **DAN**
Depository Account Validation
DAN is an secured internet based facility which provides an online interface enabling subscribers to validate DP ID, Client ID and PAN of investors through...
[read more...](#)
Log in

100% of SPEED-e to submit instruction through their GPRS enabled mobile phones.***** Clients and Clearing Members can submit Pay-in in

WELCOME

Internet is increasingly becoming an important medium for dissemination of information and conducting business. Enabling transactions through Internet thus becomes essential as a means to provide better flexibility and convenience to clients and further increase efficiency of settlement of trades in the capital market. This assumes significance in case of depository since it involves movement of high-value financial accounts. Further, depository transactions are also the lapse or failure to deliver the securities in time for pay-in to the stock exchanges may lead to financial liability.

NSDL crosses one crore demat accounts

NEW

Monitor Your Portfolio on the go with NSDL Mobile Application
[Click Here to know more about NSDL Mobile Application](#)

- e-DAC Login
- New user registration
- Register online for IDeAS
- New Retail Investor Certificate/Annual Statement for RGESS/Compliance Report for RAAAS
- Capture Bill Payments

SPEED-e

Registering For SPEED-e

Who can register for SPEED-e

- Depository Account holders (both clients and brokers) whose Depository Participant (DP) has subscribed to SPEED-e
- To know whether your DP has subscribed to SPEED-e, [click here](#).

A) Clients:

Password Users:

Clients seeking registration as Password users can submit delivery instructions only in favour of three Clearing Member Pool Accounts who will be required to give a consent letter in the [prescribed format](#).


To **REGISTER** for a password based access to SPEED-e:

- Fill-up an online registration form
- Choose your own 'User Id' (between 3 and 8 characters) and 'Password'. (between 8 and 16 characters), both alphanumeric.
- Submit in person the duly filled-in registration form alongwith a copy of the latest Transaction Statement.
- Your DP will authorise your request and thereafter with the User-Id and Password you can operate your SPEED-e account.
- In case of joint holders, a Power of Attorney favouring any one individual should be given.

Smart Card Users :

SPEED-e: Registration Process (2/4)





SPEED-e

Registration Request

User Id :
(Please Enter a User Id of Your Choice)

Personal Details

User Name :
Date of Birth :
Email Address :

Account Details

Your Client Id :
DP Id :
Sole/First Holder Name :
Second Holder Name :
Third Holder Name :

Pre-Notified Accounts

CM BP ID*	<input type="text"/>	e-DIS Flag :	<input type="checkbox"/>
CM BP ID*	<input type="text"/>	e-DIS Flag :	<input type="checkbox"/>
CM BP ID*	<input type="text"/>	e-DIS Flag :	<input type="checkbox"/>
CM BP ID*	<input type="text"/>	e-DIS Flag :	<input type="checkbox"/>
CM BP ID*	<input type="text"/>	e-DIS Flag :	<input type="checkbox"/>
CM BP ID	TN620031 **	e-DIS Flag :	<input type="checkbox"/>
CM BP ID	TN565576 **	e-DIS Flag :	<input type="checkbox"/>

Services Available

SPEED-e : ☐ IDeAS : ☐

Mode Of Usage

☐ Mobile Application* Mobile No:+91

Password

Password :
Confirm Password :

☐ Use Virtual Keyboard

Virtual Keyboard Shuffle On | Clear X

~	1	2	3	4	5	6	7	8	9	0	=	Bksp
Tab	q	w	e	r	t	y	u	i	o	p		\
Caps	a	s	d	f	g	h	j	k	l	;	'	Enter
Shift	z	x	c	v	b	n	m	,	.	/	Shift	

[Home](#)

* CM BP ID is not required if you are opting for IDeAS Service only.

** Designated Pool Accounts of ICCL / NSCL for transferring mutual fund units routed through Stock Exchange Platform.

Please tick the Mobile Application check box for confirmation of e-DIS instructions through Mobile Application.

SPEED-e: Registration Process (3/4)





Registration CONFIRMATION for SPEED-e

User Id :

Personal Details

User Name :
Date of Birth :
Email Address :

Account Details

Your Client Id :
DP Id : SECURITIES SERVICES LIMITED
Sole/First Holder Name :
Second Holder Name :
Third Holder Name :

Pre-Notified Accounts

CM BP Id	CM Name	e-DIS Flag
<input type="text"/>	<input type="text"/>	Opted

Services Requested

☐ SPEED-e

[Conditions](#) prescribed by NSDL under its Bye Laws and Business Rules for using the Internet-based common infrastructure facility (i.e. SPEED-e) for trading and to view account information. I/we have also read, understood and agree to the [terms and conditions](#) for using IDeAS.

**** Designated Pool Accounts of BOISL / NSCCL for transferring mutual fund units routed through Stock Exchange Platform.**

[Home](#)

SPEED-e: Registration Process (4/4)



SPEED-e

Registration SUCCESSFUL

Congratulations on making a successful registration request for SPEED-e .

Your Registration Number is : [REDACTED]

(please note down your Registration number for future reference.)

Your User Id is : [REDACTED]

(please remember your UserId.You will not be able to access without this Id. Do NOT Reveal your User Id to ANYONE.)

NOW,VISIT YOUR DP WITH THE FOLLOWING :

1. Consent [letter](#) from your broker(s)
2. In case of joint holders, a [Power of Attorney](#) favouring any one individual to operate SPEED-e
3. Latest Transaction Statement given by your DP, only if an authorized representative of the Client (other than the account holder(s)) visit the DP's office.However, if an account holder(s) visit the DP's office personally, latest Transaction statement given by your DP need not be submitted.
4. [Print of this registration form](#) OR Details written on a [blank form](#) available with your DP.
5. [Request Form](#) for addition of Pre-Notified Account.
6. Consent letter from your broker(s) A [draft consent letter](#) is here.

You will be able to operate your SPEED-e account only after your DP has authorised your request

[Home](#)

SPEED-e: Downloading Statement of Transactions



The screenshot shows the IDeAS web application interface. The top header has the NSDL logo on the left and the 'IDeAS IDeAS' text in the center. A left sidebar contains several menu items: 'IDeAS' with sub-links 'View SoT/SoH', 'Download SOH', and 'Monthly SOT Download' (which is highlighted with a red box); 'Margin Pledge – Re – Pledge' with a sub-link 'Margin Pledge – Re – Pledge Submit Instruction'; a 'NEW!' starburst icon; 'e-CAS' with sub-links 'Subscribe for eCAS' and 'View/Download eCAS'; and 'Value Added Services' with sub-links 'e-Voting' and 'Access to e-Voting'. The main content area has a red header bar that says 'Download Monthly Statement of Transaction'. Below this, there is a 'Transaction Period:' label followed by a dropdown menu showing 'Aug - 2020'. A 'Download' button is positioned below the dropdown. At the bottom of the main content area, there is a message: 'Please save the downloaded file with '.htm' extension. Please download the NSDL Logo from the Downloads link on Home Page.'

SPEED-e: Sample Statement of Transactions



Selection Criteria: Transaction From Date: 04/09/2020 Transaction To Date: 10/09/2020 ISIN : INFVQ8F19034					
Client Id	12527645	Status	Active		
Category	Non House Beneficiary	Type	Resident	Sub Type	Ordinary
Name	First Holder Details, Beneficiary SEcond Holder Name, Benifisiary Third Holder Name				
Address	Block NoQK12345678901234567890123456 Building Silver SkyliQK 123456789012 GQKden Star GalaQK 12345678901234567 Mumbai Navi Mumbai QKd Mumbai 123456				
Pin Code	367127	Mobile Number	0009930070000		

SPEED-e: Sample Statement of Transactions



Booking Date	Transaction No.	Description	Credit	Debit	Balance
ISIN		nsdl sdf			
Beneficiary					Opening Balance :
					49,571
05-Sep-2020	300000000000284	To THE ROYAL BANK OF SCOTLAND N.V. / 12527766		1	49,570
05-Sep-2020	300000000000294	To CM LDPM ,NORMAL / 2020059		20	49,550
05-Sep-2020	300000000000304	To THE ROYAL BANK OF SCOTLAND N.V. / 12527766		1	49,549
05-Sep-2020	300000000000314	To CM LDPM ,NORMAL / 2020059		20	49,529
10-Sep-2020	300000000000452	To THE ROYAL BANK OF SCOTLAND N.V. / 12527766		1	49,528
10-Sep-2020	300000000000472	To THE ROYAL BANK OF SCOTLAND N.V. / 12527766		1	49,527
10-Sep-2020	300000000000482	To CM LDPM ,NORMAL / 2020699		20	49,507
					Closing Balance :
					49,507

To a specific entity (individual / company, etc.)

To Clearing Member (usually the Stock Broker) for pool account

Easi : Registration Process (1/2)




Please enter your demat details.

Password: Please enter your complete PAN and first 4 digits of the Date of Birth (DDMM) of first/sole account holder as recorded in CDSL system

BO ID

Password

☐ I'm not a robot  reCAPTCHA
Privacy - Terms

☐ Clicking "REGISTER" confirms that you have read and agree to the [TERMS & CONDITIONS](#)

Step 1

Enter your OTP code delivered to your registered Mobile Number / Email Id

Enter OTP code

Resend OTP ? [Click Here](#)

NOTE:Your OTP is valid for 15 minutes from the time of request. If you have not use this OTP verify within 15 minutes, Please request for a fresh OTP.

Step 2

Please enter your preferred user name

Enter Password

Confirm Password

Security Question

Your Answer

Confirm Answer

Step 3

Enter BO grouping details

List available BO account for grouping

No Records Found

-OR-

Note : Click on Submit for grouping of boids!

Step 4

Post Trade: Delivery Instruction Slip



What is a Delivery Instruction Slip (DIS)?

- Like a “Cheque Book” for a DEMAT Account.
- Issued by DP when you open a Demat A/C.
- Client needs to fill, sign and submit the DIS to transfer shares.

Types of DIS

- Intra Depository (CDSL to CDSL or NSDL to NSDL).
- Inter Depository (CDSL to NSDL or vice versa).

Purpose

- Used by the DP to debit the client account for the said number of shares.

Post Trade: Sample DIS - CDSL



CDSL
Your Depository

DP Name & Address
DP ID and DP SEBI Reg. No.
Instruction Slip for Delivery / Receipt

(To be filled in duplicate)

☐ Delivery

☐ Receipt

** Serial No.:

Date : __ / __ / 200__

I / We request you to **debit / credit** my / our account as under: -

DP ID										B O (CLIENT) ID **										First/Sole Holder's Name																																																											
S. No.	ISIN										Security Name										Quantity										Instruction Ref no.(to be filled by DP)																																																
																					In figures										In words																																																
1	IN																																																																														
2	IN																																																																														
3	IN																																																																														
4	IN																																																																														
Total Instructions Used (In words only)															Cash Transfer															<input type="checkbox"/> Yes										<input type="checkbox"/> No										<input type="checkbox"/> Not required																													
Tick the relevant columns -																																																																															
Exchange										<input type="checkbox"/> BSE										<input type="checkbox"/> NSE										<input type="checkbox"/> Others (Mention name)										Execution date										D D M M 2 0 0																													
Instruction details										<input type="checkbox"/> 1. On Market										<input type="checkbox"/> 2. Off market (Transfers to/from CM accounts)										<input type="checkbox"/> 3. Off market (Transfers to/from BO accounts)										<input type="checkbox"/> 4. Early pay-in										<input type="checkbox"/> 5. Inter depository																													
Settlement type / market type																														NOT APPLICABLE																																																	
Settlement no.																														NOT APPLICABLE																																																	
CM ID																				NOT APPLICABLE										NOT APPLICABLE																				NOT APPLICABLE																													
Counter BO ID / Client ID										NOT APPLICABLE																																																																					
Counter DP ID / CM-BP ID										NOT APPLICABLE										NOT APPLICABLE										NOT APPLICABLE										NOT APPLICABLE										I N																													
Signature of First / Sole Holder																				Signature of Second Holder																				Signature of Third Holder																																							

For DP's office use only
Internal Ref. No.

Signature Verified By

Transaction Entered By

** Prestamped

Post Trade: Sample DIS - NSDL



DP LOGO DP NAME		FORM 36 – COMBINED DELIVERY INSTRUCTIONS BY CLIENT										 NSDL <small>Technology, Trust & Reach</small>																																																																																																				
Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off-market trades and Inter Depository Instructions, please mention reason code from the list given at reverse side of cover page. (5) Please write correct ISIN and Quantity (both in figures and words).																																																																																																																
I/We hereby request you to debit my / our account as per following details:										Serial No.		Pre-printed																																																																																																				
DP ID	Pre-printed			Client ID	Pre-printed/ Pre-stamped			Date	D	D	M	M	Y	Y	Y	Y																																																																																																
(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)																																																																																																																
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> For Market Trades (Receiver Details) <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <tr> <td>CM-BP-ID</td> <td>IN</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>CM Name</td> <td colspan="9"></td> </tr> <tr> <td>Market Type</td> <td colspan="9"></td> </tr> <tr> <td>Settlement No.</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> </div> <div style="width: 48%;"> <input type="checkbox"/> For Off - Market Trades (Receiver Details) <input type="checkbox"/> Inter Depository Instructions (Receiver Details) <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <tr> <td>DP-ID</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Client ID</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>DP Name</td> <td colspan="9"></td> </tr> <tr> <td>Reason Code</td> <td colspan="3">Reason / Purpose</td> <td colspan="6">Consideration (in Rs.)</td> </tr> <tr> <td colspan="3">Refer instruction no. 4</td> <td colspan="3">Specify for reason code 99 (others)</td> <td colspan="3">Mandatory for reason code 1 (off-market sale)</td> </tr> <tr> <td colspan="10"> Settlement details For Inter Depository Instructions </td> </tr> </table> </div> </div>														CM-BP-ID	IN									CM Name										Market Type										Settlement No.										DP-ID										Client ID										DP Name										Reason Code	Reason / Purpose			Consideration (in Rs.)						Refer instruction no. 4			Specify for reason code 99 (others)			Mandatory for reason code 1 (off-market sale)			Settlement details For Inter Depository Instructions									
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Authorised Signatory (ies)																																																																																																																
Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.																																																																																																																
To be filed by DP																																																																																																																
Date and Time of Receipt and DP Stamp with Signature					Maker		Checker		Additional Checker (if applicable)		Remarks (For High value transactions/Dormant accounts if any)																																																																																																					
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>																																																																																																																

Post Trade: Information to be filled in DIS



INFORMATION	DETAILS
Client ID	Client ID given by the DP (8 digit / 16 digit).
Client Name	Fill your name (same as in the Demat A/C).
Date	Date of submitting the DIS.
ISIN number	ISIN of security to be transferred.
Security Name	Name of the security to be transferred.
Quantity in figures	No. of securities (in figures).
Quantity in words	No. of securities (in words).
Total instruction Issued	Total number of ISINs. (Number of scrips in which dealt).
Consideration amount	Value of securities on date of transfer.
Reason for Transfer	Select from the given options.

Post Trade: Information to be filled in DIS



INFORMATION	DETAILS
Execution date (Optional)	Specify the date on which the instructions are to be executed.
A/C Transfer within CDSL - BO-BO	Transfer to another Individual's CDSL DEMAT account.
A/C Transfer within CDSL - BO-CM / CM-BO / CM-CM	Transfer to a Clearing Member/Broker's CDSL account.
Inter Depository - BO-BO	Transfer to another Individual's NSDL DEMAT account.
Inter Depository - BO-CM / CM-BO / CM-CM:	If you are transferring to a Clearing Member/Broker's NSDL account.
Counter BO name	Name of person to whom securities are being transferred.
Signature of the 1st / 2nd / 3rd holder –	Signature must match with the specimen signature given to the DP when opening the DP Account.

Post Trade: Do's and Don'ts of keeping funds in Trading Account



Do's:

- Investor should make sure funds to the extent of obligation (Pay-in & Margin) is available in your trading account.
- Investor should transfer funds to the Stock broker for obligation only.
- Ensure all the documents are received in the name of the Stock broker only.
- Investor should ask Stock broker for Quarterly / Monthly settlement of both funds and securities from the TM.
- Check your ledger account periodically.
- In case of any suspicious entries kindly raise the alert to Stock Broker / Exchange / SEBI immediately.

Post Trade: Do's and Don'ts of keeping funds in Trading Account

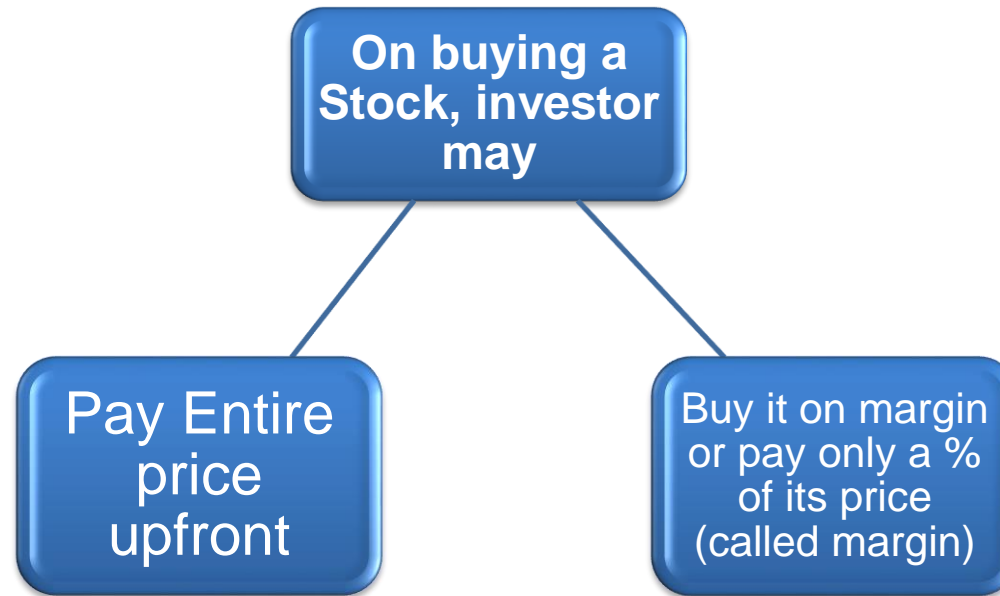


Don'ts:

- Investors are advised not to keep idle funds lying with the Stock Broker.
- Investors are advised not to provide cheques in the name of any “Authorized Person ” / 3rd party.
- Pre-Signed Blank Cheques and DIS Slips should NOT be provided to the Stock Broker/ Authorized Person / Employee of the Stock Broker.

Margin Payment and Pledge/ Re-Pledge

Pre Trade : Payment of Margins



➤ Payment Of Margin:

- Check your margin requirement on Stock Broker's website while placing the trade.
- Pay the margin amount to the Stock broker / maintain the margin amount in the linked Bank A/C before placing order.
- You may also pledge securities instead of depositing cash as margin money. This can be done by submitting a pledge instruction by filling up the pledge form with the Depository.

Pre Trade : Payment of Margins (Early Pay-in)



- Payment of funds / deliver shares (in case of buy/sell) to the Exchange by pay-in time on settlement date.
- **Early Pay-In:** Choice of paying funds / delivering shares before this designated time.
- **Exemption upon early pay-in of Funds:**
 - No margin needs to be paid (subject to bank confirmation).
- **Exemption upon early pay-in of securities :**
 - No margin needs to be paid.
 - Stock Brokers to provide early pay-in details to the Stock Exchange in a specified format.

For early pay-in, Block Mechanism in demat account of client



- Block Mechanism in demat account introduced in account of client undertaking sale transaction w.e.f August 01, 2021
- Securities in client demat are blocked in favour of clearing corporation
- If sale transactions not executed, share continue to remain in the client's account
- No need to transfer shares to stock broker account for early pay in

Pre Trade : Payment of Margins (Haircut)



➤ Haircut:

- %age by which market value of your pledged shares is reduced for the purpose of calculating the collateral value.
- Eg: Market value of your pledged shares = Rs. 10 lac
Haircut = 20%
Collateral value = Rs. 8 lac. $\{10 - (0.20 \times 10)\}$

➤ Sample:

Approved Securities List for the Month of April 2020				
	Equity Shares			
Sr. No.	Security Name	ISIN	Haircut % As on 31/08/2020	For every Rs 100 worth of stock pledged, you'll receive collateral margin of Rs.
1	XYZ	INE000F00000	20	80

Pre Trade : Payment of Margins



NSE margin Calculator :

https://www1.nseindia.com/live_market/dynaContent/live_watch/margincalc/CMInputMargincalc.jsp

Equity Margin Calculator

Symbol	Series	Quantity	Price	Position	Delete
<input type="text"/>	Select ▼	<input type="text"/>	<input type="text"/>	Select ▼	<input type="text"/>

Calculate Add Delete

BSE margin Calculator:

<https://www.bseindia.com/markets/equity/EQReports/margin.aspx>

Value at Risk (VaR) Margin & Extreme Loss Margin (ELM)

Please select the date for which you want to download the data

Trading Date

Download VaR & ELM for Trading Day 21/08/2020

Select Date

What is a Pledge? : Simplified

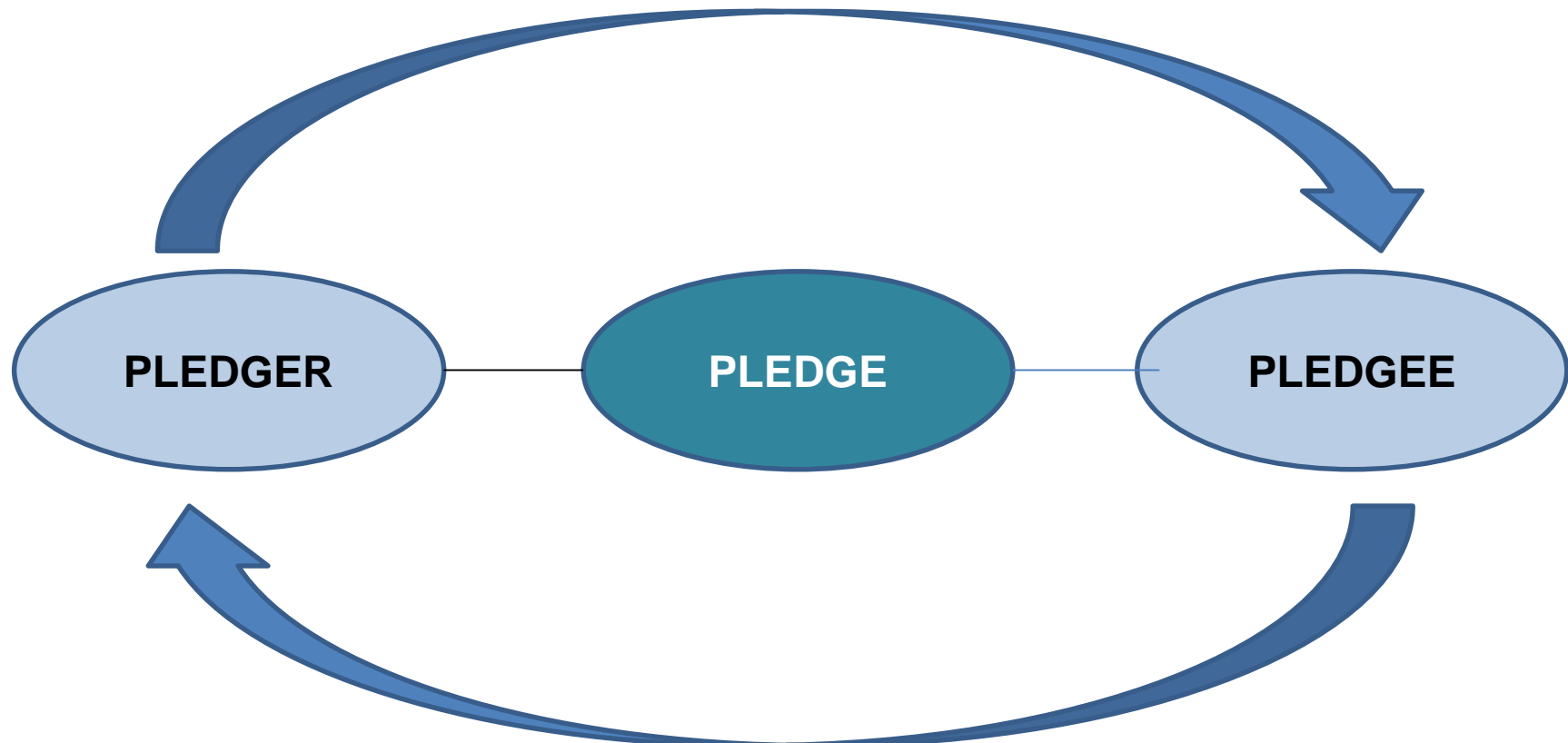


- **PLEDGE:** Deposit of some personal property as collateral for a Debt.
- To borrow some funds to pay margin, you can pledge the securities (viz. shares, bonds, etc.) owned by you in order to get these funds.
- **Pledged securities** act as collateral for this loan.
- If borrower of funds (pledger) defaults on repayment, the person to whom the shares are pledged (pledgee) can invoke the pledge (i.e. sell these securities to recover his money).
- Provisionally movement of securities from the pledger's/ debtor's securities account into the pledgee's/ creditor's securities account to back a debt facility as a form of collateral.
- When securities are pledged, the pledgee/creditor only has possession of the pledged securities but not ownership or title to the pledged securities.

What is a Pledge? : Simplified



- Pledger borrows funds from Pledgee
- Deposits Shares as Collateral for funds borrowed.



- Pledgee lends funds to Pledger
- Accepts Shares as Collateral for the funds lent.

Margin Pledge : Previous Process



Investor wants to Pledge his stocks to obtain margins.



Securities transferred from investor's demat account to Stock Broker's Demat Account
- Through Title transfer collateral arrangements or Power of Attorney in respect of client's demat account



Stock Broker pledges these securities to Clearing Corporation.



Transfer of ownership of the securities (called "Title" in legal language) takes place and this is called the "Transfer of Title" method.



This method is **prone of misuse** by Stock Brokers since there is a transfer of ownership and the entire cycle is based solely on trust.

Margin Pledge : The new way



- Stocks stay in the investor's Demat account.
- **No change of ownership** of stocks happens.
- Investor makes a **pledge in favor of the Stock Broker.**
- Stock broker is required to open a separate demat account labelled '**TMCM – Client Securities Margin Pledge Account**' for this purpose (TMCM = Trading Member Clearing Member).
- The broker then re-pledges these securities in favour of the Clearing Corporation and obtains margins.

Margin Pledge in Depository System : Explained



- Effective from September 01, 2020.

- **Investors can now provide margin in form of “Securities”.**
 - By pledging securities in favour of specially designated demat account of Stock Broker.

- **What's New?:**
 - Stock Brokers can accept securities (viz. shares) as collateral only in form of margin pledge created on the securities held in client's Demat account.

Margin Pledge in Depository System : Explained



➤ What does the Investor need to do?:

- Give instruction to create margin pledge on securities.
- Instruction may be given in:
 - Physical form
 - Electronically through “SPEED-e” (for NSDL) and “Easi/Easiest” (for CDSL).

➤ Pledged to whom?

- Created in favor of a “specially designated” demat account of the stock broker/clearing member.
- Name of the account :

TM – Client Securities Margin Pledge Account or TM / CM – Client Securities Margin Pledge Account).

What is a “Re-Pledge”?



- **“Re-pledge”** of securities by Stock Broker, that it received as **“pledge”** from investor, in favour of Clearing Member (CM).
- CM can **“re-pledge”** the same securities in favour of **Clearing Corporation (CC)** in respect of approved securities.
- Stock Brokers who are trading as well as Clearing members may directly pledge securities to CC.
- Investor need to give consent for Re-pledge (given initially when investor pledged shares with Stock Broker) for underlying securities.
- **Details** of all pledge transactions and subsequent re-pledge transactions shall be displayed in the **client’s demat account statement**.
- **List of all clearing corporations :**
<https://www.sebi.gov.in/clearing-corporations.html>

Sample Margin Pledge Form

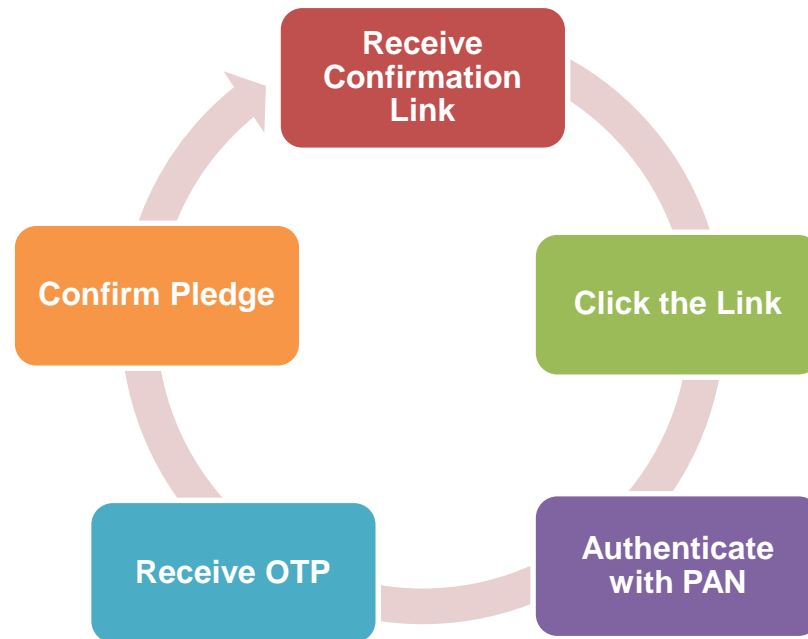


DP Logo		FORM 43 – MARGIN PLEDGE FORM										 <small>Technology, Trust & Reach</small>			
Participant Name										Serial Number					
Participant Address										Date				<div> <div>D</div> <div>D</div> <div>M</div> <div>M</div> <div>Y</div> <div>Y</div> <div>Y</div> <div>Y</div> </div>	
DP ID		I		N								Client ID		Prestamped	
<p>I/We request you to execute margin pledge instructions as per following details. Further, I/we hereby give my/our express consent for re-pledge of the securities by the Trading Member to Clearing Member and further by the Clearing Member to the Clearing Corporation.</p>															
<input type="checkbox"/> Initiate Margin Pledge/Re-pledge <input type="checkbox"/> Request Release of Margin Pledge/Re-Pledge										<input type="checkbox"/> Confirm Margin Pledge/Re-Pledge Initiation <input type="checkbox"/> Release Margin Pledge/Re-Pledge <input type="checkbox"/> Invoke Margin Pledge/Re-Pledge					
Counterparty DP ID		I		N								Agreement No.			
Counterparty Client ID												Indicative Closure Date		<div> <div>D</div> <div>D</div> <div>M</div> <div>M</div> <div>Y</div> <div>Y</div> <div>Y</div> <div>Y</div> </div>	
Counterparty Client Name												Execution Date		<div> <div>D</div> <div>D</div> <div>M</div> <div>M</div> <div>Y</div> <div>Y</div> <div>Y</div> <div>Y</div> </div>	
Unique Client Code												Segment			
Trading Member Code												Trading Member Name			
												Stock Exchange Name			
Clearing Member ID												Clearing Corporation Name			
Sr. No.	ISIN	Security Name		Lock-In Reason and Release Date (If Any)		Quantity (In Figures)		Quantity (In words)		Margin Pledge Order Number		Consideration Amount (₹) (To be filled in case of Invocation)			
1. _____												2. _____		3. _____	
<div> <div>Authorised Signatory(ies)</div> </div>															

Margin Pledge Creation by Investor



On receipt of margin pledge instruction, depository shall send a link to 'Confirm Margin Pledge Transaction' through SMS and email to Investor.



Investor must verify the information displayed and if satisfied, confirm the instruction to create pledge with the OTP received.

Investor needs to Click the link received – which will lead to a web page of Depository.

After successful PAN authentication, One Time Password (OTP) will be sent to Investor through SMS and email.

Client should authenticate the instruction with PAN.

Margin Pledge Closure by Investor

Client can submit instruction for Closure of Margin Pledge existing in his / her demat account in physical form or electronically through SPEED-e / IDeAS facility

**Submit
Closure
Instruction**

Alternatively, stock broker can give an instruction for unilateral closure of the pledge

**Instruction by
Broker**

**Confirmation
by Pledgee**

Pledge will be closed when it is confirmed by the concerned stock broker (pledgee TM)

If the securities have been re-pledged by TM in favour of CM (or by CM in favour of CC), then margin pledge closure will need to be confirmed by concerned CM (or by CC). Alternatively, CM or CC may give an instruction for unilateral closure of the re-pledge.

Invocation of Margin Pledge / Re-pledge



TM SUBMITS INSTRUCTION

If the client defaults in payment, then:

- Stock Broker (TM) can submit instruction for Invocation of Pledge existing in its favour.
- This instruction can be sent in physical form or electronically through electronic facility of the depository.



SECURITIES DEBIT

Upon successful execution of Pledge Invocation instruction in Depository system, securities will be debited from the client's demat account (Pledgor's account) and credited to TM's demat account (Pledgee's account).



IF RE- PLEGDED BY TM

If the securities have been re-pledged by Stock Broker in favour of Clearing Member (and then to Clearing Corporation), then Invocation initiated by TM will be effective when pledge is released by the concerned CM (and by concerned CC).



VALIDATION

Validation of the margin pledge instruction will be done with the UCC linked in the demat account of the Client.

If there is default by TM / CM then the re-pledged securities of clients who do not have any open position with CM / CC, shall not be available to CM / CC for invocation to meet settlement default of the TM / CM.

Thank You