



AFFINITY SECURITIES PVT. LTD.

Shaila Towers, Room # 903, J1/16 EP Block, Salt Lake, Kolkata - 700091
CIN No. U67190WB2010PTC153468

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

BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock and/or Commodity exchanges www.nseindia.com / www.bseindia.com / www.msei.in / <https://www.mcxindia.com/membership/notice-board/Member-AP> and SEBI website www.sebi.gov.in.
2. Ensure that you fill the standard 'Know Your Client (KYC)' form completely and strike off the blank fields in the KYC form before you commence trading.
3. Ensure that you have read and signed all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker. Do not start trading before reading and understanding the Risk Disclosure Agreement and other mandatory documents.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock/commodity broker. Note that the clauses as agreed between you and the stock/commodity broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Exchanges. Do not pay brokerage in excess of that rates prescribed by the Exchanges. Ask all relevant questions and clear your doubts with your Broker/Member before transacting.
6. Go through the Rules, Bye-laws, Regulations, Circulars, Notices, Directives, Notifications of the Exchanges as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Broker/Member.
7. Obtain a copy of all the documents executed by you from the stock/commodity broker free of charge.
8. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
9. In case you wish to execute Power of Attorney (POA) in favour of the Stock/commodity broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.
10. Do not deal with any unregistered intermediaries.
11. Do not enter into assured returns arrangement with any Member.
12. Do not forget to take note of risks involved in the investments.

TRANSACTIONS AND SETTLEMENTS

13. The stock/commodity broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock/commodity broker for the same. Don't opt for ECN if you are not familiar with computers.
14. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
15. Do not accept unsigned/duplicate contract note/confirmation memo. Do not accept contract note/confirmation memo signed by any unauthorized person.
16. Ensure that the Contract Note contains all the relevant information such as Broker/Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
17. Insist on receiving the bills for every settlement.
18. Insist on Monthly and/or Quarterly statements of your ledger account and report any discrepancies in the statement to your Broker/Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchanges within 15 working days from the date of cause of action.
19. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
20. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
21. Understand and comply with accounting standards for derivatives/commodity derivatives.
22. Don't share your internet trading account's password with anyone.



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23. Don't make any payment in cash/take any cash towards margins and settlement to/ from the stock/commodity broker.
24. Make the payments by account payee cheque in favour of the stock/commodity broker. Don't issue cheque in the name of Authorized Person. Ensure that you have a documentary proof of your payment/deposit of securities/commodities with the stock/commodity broker, stating date, scrip/commodity, quantity, towards which bank/ demat account such money or securities/commodities (in the form of warehouse receipts) deposited and from which bank/ demat account. Obtain receipt for collaterals deposited with the Broker/Member towards margins.
25. Pay required margins in time and only by Cheque and ask for receipt thereof from the Broker/Member.
26. Deliver the securities/commodities in case of sale or pay the money in case of purchase within the time prescribed by SEBI/Exchanges.
27. Note that facility of trade verification is available on stock and/or commodity exchanges' websites, where details of trades as mentioned in the contract note may be verified. Cross check the genuineness of trades carried out at the Exchanges through the trade verification facility available on the Exchanges website at the following link <https://www.nseindia.com/tv/> / https://www.bseindia.com/investors/trade_check.aspx# / <https://www.msei.in/markets/currency/trade-verification> / <https://www.mcxindia.com/en/login>. The trades can be verified online where trade information is available up to 5-10 working days from the trade date. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock/Commodity exchange.
28. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities / commodities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock/commodity broker shall maintain running account for you subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - b) The actual settlement of funds and securities/commodities shall be done by the stock/commodity broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the Stock/Commodity broker shall send to you a 'Statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities and/or commodities displaying all the receipts/deliveries of funds and securities and/or commodities. The statement shall also explain the retention of funds and securities and/or commodities and the details of the pledged shares, if any.
 - c) On the date of settlement, the stock/commodity broker may retain the requisite securities and/or commodities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives/commodity derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
 - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock/commodity broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
29. In case you have not opted for maintaining running account and pay-out of funds/securities/commodities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock/commodity broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock/Commodity exchange.
30. Please register your mobile number and email id with the stock/commodity broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock/commodity exchanges.



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31. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchanges.
32. Do not sign blank Delivery Instruction Slips (DIS) while furnishing securities, commodities, deposits and/or keep them with Depository Participants (DP) or broker/member to save time.
33. Do not get carried away by luring advertisements, rumours, hot tips, explicit/ implicit promise of returns, etc.
34. Do not neglect to set out in writing, orders for higher value given over phone.
35. Do not delay payment/deliveries of commodities to Member.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

36. In case, a stock/commodity broker surrenders his membership, is expelled from membership or declared a defaulter; Stock/Commodity exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock/Commodity exchange, from the investors. Ensure that you lodge a claim with the relevant Stock/Commodity exchanges within the stipulated period and with the supporting documents
37. Familiarize yourself with the protection accorded to the money and/or securities/commodities or other property you may deposit with your stock/commodity broker, particularly in the event of a default or the stock/commodity broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities/commodities may be governed by the Bye-laws and Regulations of the relevant Stock/Commodity exchange where the trades were executed and the scheme of the Investors' Protection Fund in force from time to time.

DISPUTES/ COMPLAINTS

38. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock/commodity brokers are displayed on the website of the relevant Stock/commodity exchange.
39. In case your issue/problem/grievance is not being sorted out by concerned stock/commodity broker/authorized person then you may take up the matter with the concerned Stock/commodity exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
40. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.