JK Securities
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HANDLING CLIENT'S UNPAID SECURITIES

POLICY

JK SECURITIES PRIVATE LIMITED

Version 1.2 (2025)

FOR INTERNAL USE ONLY

JK SECURITIES PVT. LTD. * ANAND *

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POLICY ON HANDLING CLIENT'S UNPAID SECURITIES

SEBI vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022 made changes in the process with respect to handling of unpaid securities by TM/CM. Further NSE vide circular no NSE/INSP/54390 informed member to comply the provision laid down in SEBI circular

This policy is framed in accordance with the provisions of above mentioned SEBI/Exchange circular.

PROCESS TO BE FOLLOWED BY JK SECURITIES PVT LTD. (JKSPL)

- All the securities received in pay-out, shall be transferred to the demat account of the respective clients directly from the pool account of the JKSPL within one working day of the pay-out

- With regard to securities that have not been paid for in full by the clients (unpaid securities), a separate client account titled – "client unpaid securities pledgee account" is being opened.
- Securities that have not be paid for in full by the client, such securities shall be transferred to respective client's demat account followed by creation of an auto-pledge with the reason "unpaid", in favor of a above named account i.e. "client unpaid securities pledgee account" opened by JKSPL.
- Securities worth 125% of the net debit will be held as pledged in JKSPL's CUSPA and the remaining shares will be released to the buyer's demat account on T+1.
- After the creation of pledge, a communication via daily margin statement is made for fund obligation as also SMS shall be sent to client on T+1+3 days informing the client about their funds obligation and also the right of JKSPL to sell such securities in event of failure by client to fulfill their obligation within five trading days after payout

For, JK Securities Private Limited

Pranav Patel
Managing Director

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- If the client fulfills its funds obligation within five trading days after payout, we will release the pledge so that the securities are available to the client as free balance.

- However in case of receipt of instruction from client before five trading days of payout, we will sell securities lien marked in favour of CUSPA and consider the said amount toward unpaid securities.

- If the client does not fulfill its funds obligation within five trading days after payout, we shall dispose off such unpaid securities in the market. Before disposing the securities, we will inform (email / SMS) to the client, one trading day prior of such sale.

- The unpaid securities shall be sold in the market with the Unique Client Code (UCC) of the respective client. Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client account. JKSPL shall invoke the pledge only against the delivery obligation of the client.

- Once such securities are blocked for early pay-in in clients demat account, the depositories shall verify the block details against the client level obligation in accordance with the SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/595 dated July 16, 2021 and SEBI/HO/MIRSD/DoP/P/CIR/2022/109 dated August 18, 2022.

- In case we are unable to sell the unpaid securities in T+1+5 day due to reasons such as Inactive/Suspended ISIN , litigation, lower circuit, regulatory enforcement, court direction, other trading restriction like GSM or any other reason from time to time. It shall not be held responsible.

- However said CUSPA securities of clients will be blocked by Depository from 6th day onwards to 7th day EOD, during the said period Depository will restrict for payin of securities, so in case if client sell said securities then it will go to be auction and in said scenario member will not bear any losses & charges on said transaction.

For, JK Securities Private Limited

Pranav Patel
Managing Director

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- In case, such pledge is neither invoked nor released within seven trading days after the pay-out, the pledge on securities shall be auto released and the securities shall be available to the client as free balance without encumbrance.

- Such unpaid securities pledged in favor of CUSPA account of JKSPL (reduced by the appropriate haircut subject to minimum 20%) will be considered by us while collection and reporting of margin only to the extent of debit balances in client ledger arising out of buying obligation of such securities until the said CUSPA pledge securities is neither invoked nor released. however we will not grant any exposure/limits on said securities.

Review and update :

This policy shall be reviewed and updated on annual basis OR as and when any amendment made by regulator

For, JK Securities Private Limited

Pranav Patel
Managing Director

PRANAV PATEL
MANAGING DIRECTOR

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