

# **JSEL Securities Ltd.**

## **Member of BSE Cash Segment**

### **Clearing No. 287**

#### **Different Policies**

##### **Version : 3.0**

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**Principal Officer : Ms. Neha Goyal**

**Compliance Officer : Mr. Alok Nigam**

**Designated Director : Mr. Alok Nigam**

## Policy Regarding Prefunded Instruments

It's a Policy of the Company for the acceptance of Prefunded Instruments. This policy is Subject to the rules and regulations of the Exchange from time to time.

**Title:** Acceptance of Prefunded Instrument for trades on Exchange.

**Coverage:** All Sub Brokers Branches of the Company wherever trading terminals / WEB terminals are Located.

**Scope:** Acceptance of Prefunded Instruments like Demand Draft/Payorder /Bank Guarantees from a client against Payin Obligation/ Margin.

**Policy :** As per company policy, we do not accept any prefunded instruments and cash from the clients.

## POLICY ON SETTING OF LIMITS FOR TERMINALS

**Objective:** To pre- define limits for each terminal and monitor the same on a continuous basis as per the rules and regulations of the Exchange.

**Background:** Trading Terminals are allotted to Members by exchanges. These terminals enable members to place, modify and execute orders on behalf of clients. There may be instances where due to punching error unusual orders may be placed at high prices which might lead to execution of unrealistic orders or orders being executed at unrealistic prices. In cases where the order/price of such orders is high, it might lead to huge losses to broker. In order to avoid such a situation it is imperative that certain limits are prescribed for each terminal allotted to member broker.

**Scope of the Policy:** This policy covers the procedure and checks in place for allotting limits to each TWS Terminals.

**Defining of Limits:** The following limits shall be defined for each terminal:

1. Quantity Limit for each order
2. Value Limit for each order
3. Limit on each TWS Terminal allotted to Sub Brokers

**Procedure for setting of Limits:** We define limits for each TWS terminal provided by BSE and monitor the same on a daily basis. This policy covers the procedure and checks in place for allotting limits to each Sub broker terminal according to their deposits to the company after deducting Margin and previous day Exposure. Company also have a check on Quantity Limit for each order and Value Limit for each order for every terminal.

## **Policy on Client Code Modification and error Code Policy**

The main objective of the company to framed a policy for modification of client code for post trade execution and takes the report on such modification of client codes. Further educate the Sub Brokers and create awareness among them about this policy.

### **Brief criteria about Client code Modification**

Client code modification means modification of client code after the execution of trade. The stock exchange provides a facility to modify the client code to rectify an error. The modification of client code is to be done only in exceptional cases and not in routine case.

### **Details about Genuine error**

The following trades shall be modify/ allowed to be modify, shall be treated as genuine error .

1. Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order by any of Sub Broker.
2. Trade entered for wrong client due to any miscommunication from the client /authorized representative of the client.
3. Family Code (spouse, dependent parents, dependent children and HUF)

### **Reporting System•**

Client code modification issues should be reported to the Key Personnel's and can be done only after getting approval from authorized person.

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## Policy on Risk Management

JSEL Securities Limited is not allowed to trade on behalf of its own but trading through its sub-brokers. JSEL Securities Limited is taking 100% margin from its sub-brokers as imposed by BSE on its clients. It also monitors the intra day mark to market loss and recovers in between the trading session if seems abnormal or exceeds to the deposits and margins.

Pay-in and pay-out is regulated through its 96 branch accounts with ICICI Bank Limited. All these branch accounts are operated jointly with its sub-brokers. Company also take the fund pay-in on T+1 basis and assures the 100% fund pay-in from the branch accounts of the sub-brokers. If any sub-broker fails to fulfill the pay-in obligations his terminals are being deactivated on next day and allowed to trade only after realization pay-in fund with a penalty of 1% or as decided by the Board of Directors time to time. The same process is also adopted for taking the margin calculated at the end of the day and collected on next day prior to start of the trading. The total liabilities for pay-in of funds, pay-in of margins and collection of funds from clients are lies on the concern sub-brokers for whom he has been registered as a client.

The securities of the clients are also kept in separate brokerwise branch BO accounts with its own depository participants. No fund or securities are paid / released to clients prior to effect the pay-out by BSE for the respective settlement.

All the clients are requested that they may lodge their complaint / grievances on our E-mail [jselsecurities@yahoo.com](mailto:jselsecurities@yahoo.com)

## INVESTOR COMPLAINT REDRESSAL MECHANISM

1. The company has a designated investor grievances email id [jselsecurities@yahoo.com](mailto:jselsecurities@yahoo.com) on which the client or investor can make a complaint.
2. An Investor / client can make a written complaint through letter also.
3. The Company maintains investor grievance register in which full detail of every written complaint shall entered.
4. Designated person shall login the designated investor grievances email id on daily basis to look after the investor complaint whether new complaint has been lodged or not.
5. Compliance officer will obtain all information available on the compliant which is considered necessary for a proper investigation. Look into all the necessary information and resolve as soon as possible.
6. There is standing policy of the company to resolve the investor compliant as soon as possible of the receipt of the same expect the complicated case.
7. A serious compliant ( where the written response does not settle the issue) must be referred to the Directors of the company.
8. The Designated person of the company shall review the investor compliant register on weekly basis to find out whether complaint has been resolved within time.

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## **Code of internal procedures and conduct for Prevention of Insider Trading**

### **Principal Officer:**

Company appointed Ms. Sunita Nair as principal officer under the provisions of Insider Trading.

### **The Principal Officer will ensure that:**

The Insider Trading Prevention program is communicated and implanted effectively, monitoring adherence to the rules for the preservation of “Price Sensitive Information”

### **Monitoring of trades and the implementation of the code of conduct.**

Regular updation regarding any changes/ additions/ modifications in PMLA provisions. Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/directors must not pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of securities.

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## Policy on Circulation of Unauthenticated News

### Prohibition on circulation of unauthenticated News:

To Protect Investors to Stop Unauthenticated News Circulation by the Company's Employees/ and by company Infrastructure. All SEBI registered market intermediaries are required to have proper internal code of conduct to govern the conduct of its Employees. In view of same, JSEL Securities Ltd. implements code of conduct for communicating through various modes of communication. Company Directors/ Officers / Employees are prohibited from:

1. Circulation of unauthenticated news related to various Scrips in blogs/chat forums/e-mail etc.
2. Encouraging or circulating rumors or unverified information obtained from client, industry, any trade or any other sources without verification.
3. Either forwarding any market related news received in their official mail/personal mail/blog or in any other manner except after the same has been seen and approved by the Compliance Officer.

If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for disciplinary action.

This code can be modified/amended/alterd as required from time to time in compliance of the relevant provisions/regulations in this regard .



### **Policy regarding treatment of Inactive/Dormant Account**

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 6 continuous months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by Sebi, Exchanges and Internal Risk Management Policies.

SEBI vide circular no. dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

#### **Policy:**

#### **Procedure to handle Inactive/dormant accounts:**

If there is no transaction (buy / sell) entered into by the account holder for more than 12 continuous months, the account will be marked as "INACTIVE/DORMANT".

All the accounts marked as "INACTIVE/DORMANT" needs to be monitored carefully in order to avoid unauthorized transactions in the account. If the client wants to make the account "ACTIVE" after 6 continuous months or after providing the required documents supporting the the client needs to submit a request to reactivate his/her account. In case there is any change in the information such as; address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same has to be submitted along with the request. After proper verification of the updated / revised details and approval from the compliance officer / or concerned department in-charge of registration of clients, the account can be made "ACTIVE" and transaction can take place.

#### **Process for reactivation of Inactive / dormant account which are inactive for 11 continuous months:**

The Client can follow any of the below processes:

Client can give the duly signed request in writing to trading member or office of sub-broker Address Proof – such as Aadhar Card, Electricity Bill Passport Copy. Identity Proof such as Aadhar Card , Passport Copy, Pan Card

#### **Review Policy:**

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy. The policy may be reviewed by the Office In charge and place the changes in policy before the Board.

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## **Risk Management**

JSEL Securities Limited is not to do trade on behalf of its own but trading through its sub brokers. JSEL Securities Limited is taking 100% margin from its sub brokers as imposed by BSE. It also monitors the intra day mark to market loss and recovers in between the trading session if seems abnormal or exceeds to the deposits and margins.

Pay-in and pay-out is regulated through its branch accounts with The Bank of Rajasthan Limited and all these branch accounts are operated by JSEL Securities Limited. Company also take the fund pay-in on T+1 basis and assures the 100% fund pay-in from the branch accounts of the sub brokers. If any sub broker fails to fulfil the pay-in obligations his terminals are being deactivated and allowed to trade only after realization pay-in fund with a penalty or as decided by the Board of Directors. The same process is being adopted for taking the margin calculated at the end of the day and collected on next day morning prior to start of the trading. The total liabilities for pay-in of funds, pay-in of margins and collection of funds from clients are lies on the concern sub-brokers for whom he has been registered as a client under tripartite agreement.

The securities of the clients are kept in separate sub-brokerwise branch BO accounts with JSEL Securities Limited own CDSL depository. No fund or securities are paid / released to clients prior to effect the pay-out of funds and securities by BSE.

No investor/client/complaint/grievances are pending with JSEL Securities Limited. All the clients are requested that they may lodge their complaint / grievances on our E-mail [jselsecurities@yahoo.com](mailto:jselsecurities@yahoo.com).

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