

## Policy of Client Unpaid Securities Pledge Account (CUSPA)

SEBI circular: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022.

- To streamline the process of handling client securities and prevent misuse, SEBI has mandated brokers to open a Client Unpaid Securities Pledge Account (CUSPA).
- At the time of securities pay-out settlement, If the Client fails to meet his fund obligation and securities are unpaid, the securities will be transferred to the buyer's demat account along with the creation of an auto-pledge in favour of Sushil Financial Services Private Limited (SFSPL) Client Unpaid Securities Pledge Account (CUSPA).
- Securities with additional haircut will be held pledged in SFSPL CUSPA Account towards the outstanding obligation amount including the net margin obligation if any and remaining securities will be released to client demat account.
- Pledge/Un-pledge charges shall be applicable and the client will be notified via email about their pledge/unpledged securities transactions.
- If the client fulfills the fund obligation within 5 trading days from the pay-out day (T+1+5), the securities will be unpledged and will be available as free balance in the client's demat account.
- In the event of non-receipt of funds from the client against unpaid securities, SFSPL will liquidate the securities in the market on T+6 Day as per RMS Policy.
- Prior intimation shall be sent one-day prior regarding CUSPA liquidation the extent of ledger debit.

*Sushil*



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