

SHRIRAM INSIGHT SHARE BROKERS LIMITED

Handling of client unpaid securities (CUSPA) including Closing out of unpaid securities

Version1.1.0.4 Dated 24th Oct 2024

Under compliance with SEBI Circular No.CIR/HO/MIRSD/DOP/CIR/P/2019/75 Dated June 20, 2019 the securities received in pay-out against which payment has been made by clients (Clear credit balance), shall be transferred to the demat account of the respective clients within one working day of the pay-out. Such securities shall be transferred directly from the pool account of the SISBL to the demat account of the respective client. With regard to securities that have not been paid for in full by the clients (unpaid securities) shall be transferred to “client unpaid securities account” opened in the name of SISBL from the pool account of SISBL.

Subsequently following the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022, with regard to securities that have not been paid for in full by the clients (unpaid securities) i.e. net fund balance of the client is negative, are transferred from POOL account of SISBL to client’s Demat Account followed by creation of an auto-pledge with the reason “unpaid”, against a separate client account titled – “Client Unpaid Securities Pledge Account” (CUSPA) opened in the name of SISBL. In order to determine fund balance of the clients following parameters are considered.

Sr. No	Details	Remarks
1.	Net Fund Balance of CM Segment (including the posting of open settlement)	Excluding unrealized Cheque
2.	Net Fund Balance of EQ Derivatives Segment (including the posting of open settlement)	Excluding unrealized Cheque
3.	Net Fund Balance of Currency Derivatives Segment (including the posting of open settlement)	Excluding unrealized Cheque
4.	Net Fund Balance of Commodity Derivatives Segment (including the posting of open settlement)	Excluding unrealized Cheque
5.	DPC	Which has not been posted till the date of released.

SHRIRAM INSIGHT SHARE BROKERS LIMITED

Handling of client unpaid securities (CUSPA) including Closing out of unpaid securities

Version1.1.0.4 Dated 24th Oct 2024

If summation of the above mentioned factor comes to negative (without considering the stock margin balance), purchased stocks are transferred from POOL account of SISBL to client's Demat Account followed by creation of an auto-pledge with the reason "unpaid", against CUSPA after hair cut of VAR or 20% whichever is higher on Tth day closing price under intimation to the client via email / SMS.

The securities Pledged against CUSPA shall either unpledged and make as free balance at the demat account of the respective client upon fulfillment of client's funds obligation. In case of non receipt of client's funds obligation the same shall be disposed off in the market by SISBL within five trading days after the pay-out under intimation to client through email / SMS/ CALL one trading day before such sale, if the same is not sold by the client on their own.

Further, the unpaid securities shall be sold from the Unique Client Code (UCC) of the respective client. For such closeout no pre-order confirmation is required, rather appropriate indication will be there at the Contract Note for the same. Profit/loss on the sale transaction of the unpaid securities, if any, shall be transferred to/adjusted from the respective client account. It is to be noted that in order to determine the client's fund balance only clear balance to be considered and no unrealized cheque will be taken into consideration even if it has been debited from client's bank account.