SHRIRAM INSIGHT SHARE BROKERS LIMITED

Handling of client unpaid securities (CUSPA) and MTF Funded Securities including Closing out of unpaid securities

Version1.0.3 Dated 25th Oct 2026

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. Consequently as per the SEBI Circular No.SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024, the above method modified got modified.

Subsequently, Brokers' Industry Standards Forum (ISF) made representation to SEBI, seeking revisions to these provisions to align them with the current regulatory and market environment and to address certain operational challenges faced by the stock brokers. Accordingly, in order to enhance the ease of doing business for stockbrokers and ease of doing investment for clients, SEBI has come out with its Circular vided no. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated 03-07-2026 and followed by guideline issued by Exchanges through their circular no. NSE/INSP/75508 and BSE/20260731-12 dated 31-07-2026. This policy comply the referred circulars issued by The Regulators.

The Process for Handling Unpaid Securities is as follows:

1. Creation of pledge in CUSPA:

A. In Direct Pay out era the securities for pay-out shall be credited directly to the respective client's demat account by the CCs.

B. It is mandatory for us to update primary demat account in UCC database of Exchanges of all such clients those are trading with us. Clearing corporation shall credit pay-out of securities to the demat account of the client that is identified as primary in Exchange UCC and is verified by Depositories.

C. We need to open and maintain Client Unpaid Security Pledge Account (CUSPA) in depository where their client has demat account.

D. For the securities that have been paid in full shall be credited directly to the respective client's demat account by the CCs as mentioned in point no A above.

E. In case of securities not paid in full, an auto-pledge shall be created for the unpaid securities under the reason 'Unpaid' in favour of Shriram Insight Share Brokers Ltd's CUSPA, as mentioned in point C above.

SHRIRAM INSIGHT SHARE BROKERS LIMITED

Handling of client unpaid securities (CUSPA) and MTF Funded Securities including Closing out of unpaid securities

Version1.0.3 Dated 25th Oct 2026

In order to determine the unpaid status of the security, following balances of the client 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.	Summation of Margin Requirement of the client for the CM, FO, CDS and Commodity Segment	Margin Requirement provided by the NCL through MG files.
5.	Delayed Payment Charges	That has been accrued but has not been posted till date.

If summation of the above mentioned factor comes to negative, entire purchased stocks are transferred directly to the respective client's demat account and mark pledge only on the stock to the extent of such negative balance in favour of Shriram Insight Share Brokers Ltd CUSPA after hair cut of VAR or 20% whichever is higher on Tth day closing price under intimation to the client.

As securities cannot be pledged in fractional quantities, the nearest whole-number quantity shall be pledged.

Handling of client unpaid securities (CUSPA) and MTF Funded Securities including Closing out of unpaid securities

Version1.0.3 Dated 25th Oct 2026

2. Release of Excess Pledge:

Shriram Insight Share Brokers Ltd shall hold the securities pledged under CUSPA upto the Maximum Permissible CUSPA Pledge Value. We shall compute daily maximum permissible pledge value as follows, for the purpose of daily release of CUSPA Pledge Stocks:

Valuation of CUSPA stocks (Value – A) - Valuation of CUSPA securities for this purpose shall be carried out in the same manner as securities pledged under the margin pledge mechanism prevailing from time to time.

Aggregate Fund Value (Value – B) – Summation of all the factors as mentioned below shall be consider to be the aggregate fund value. Debit balance shall be treated as negative and credit balance shall be treated as positive.

Sr. No	Details	Remarks
1.	Net Fund Balance of CM Segment (Excluding the posting of open settlement)	Excluding unrealized Cheque
2.	Net Fund Balance of EQ Derivatives Segment (Excluding the posting of open settlement)	Excluding unrealized Cheque
3.	Net Fund Balance of Currency Derivatives Segment (Excluding the posting of open settlement)	Excluding unrealized Cheque
4.	Net Fund Balance of Commodity Derivatives Segment (Excluding the posting of open settlement)	Excluding unrealized Cheque
5.	Delayed Payment Charges	That has been accrued but has not been posted till the date of release.

EOD Margin Obligation (Value – C): Summation of Margin Requirement of the client for the CM, FO, CDS and Commodity Segment (Margin Requirement provided by the NCL through MG files.)

Handling of client unpaid securities (CUSPA) and MTF Funded Securities including Closing out of unpaid securities

Version1.0.3 Dated 25th Oct 2026

Maximum Permissible CUSPA Pledge Value: Calculation of maximum permissible CUSPA pledge value is done in below mentioned formula –

Maximum Permissible CUSPA Pledge Value = 2.25 X (C-B)

3. Client Communication of Securities Pledged to CUSPA

Upon creation of the pledge, the same shall be informed to the client via email through "Daily Margin Statement" on or before the following the day of CUSPA pledge creation.

4. Invocation of Pledge & Disposed off:

In case of non receipt of client's obligation, as calculated above, the unpaid stocks 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 disposed off. The same will be sold the Unique Client Code (UCC) of the respective client. Shriram Insight Share Brokers Ltd invoke the unpaid shares before disposed off followed by blocked for early pay-in in the client's demat account.

For such closeout 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.

5. Exceptional Circumstances :

In exceptional circumstances where the unpaid pledged securities cannot be liquated within stipulated time, SISBL shall request Depository by 6 PM of the 5th Trading day after the payout date, for extension of the pledge by up to one additional calendar week along with the permitted reason for CUSPA pledge extension.

Permitted reasons for CUSPA pledge extension are as follows:-

a. Security being in lower circuit with only sellers;

b. Suspension or trading halt due to surveillance or any other reason;

c. Security under GSM and permitted only weekly/ monthly trading

d. Sale not permitted due to MII/ SEBI instructions

e. Sale not permitted due to orders of an authority other than MII/ SEBI

f. Sale not permitted due to PIT Regulations (insider trading restrictions including trading window closure)