

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 appropriate haircut of minimum 25% / 41% or VAR whichever is higher 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 pledged/unpledged securities transactions.
- On receipt of full /partial payment against the outstanding debits, the securities pledged in CUSPA account shall be unpledged and is released on a daily basis between 5:00 to 7:00 p.m. Clear ledger balance is considered based on the cut off timing of Upstreaming funds as per exchange guidelines.
- In the event of non-receipt of funds within 5 trading days from the pay-out day (T+1+5) against unpaid securities, SFSPL will liquidate the securities in the market on T+6 Day as per RMS Policy from the designated terminal.
- On RMS liquidation, the securities obligation quantity shall be unpledged from CUSPA account through invocation and Pay-in instruction is processed at CDSL level.
- Prior intimation shall be sent one-day prior regarding CUSPA liquidation the extent of ledger debit.

