INDIRA SECURITIES PRIVATE LIMITED

POLICY FOR HANDLING OF CLIENT'S UNPAID SECURITIES (CUSPA POLICY)

Policy Owner	Compliance / Risk Management
Approval Authority	Board of Directors / Competent Authority as per the Company's internal governance framework
Effective Date	31 October 2026
CUSPA Extension Provisions	Effective from 03 January 2027
Review	As and when required, including upon regulatory / Exchange / Depository changes

1. Objective

This Policy sets out the framework to be followed by Indira Securities Private Limited ("Company" / "Trading Member" / "TM") for handling clients' unpaid securities through the Client Unpaid Securities Pledgee Account ("CUSPA"), in accordance with SEBI Circular No. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated 03 July 2026, NSE Operational Guidelines issued vide Circular Ref. No. 41/2026 (Download Ref. NSE/INSP/75508) dated 31 July 2026, and BSE Notice No. 20260731-12 dated 31 July 2026, as amended or supplemented from time to time

2. Scope and Applicability

- This Policy shall apply to trades of clients of the Company that are not covered under Margin Trading Facility (MTF), where securities remain unpaid in full by the client.
- CUSPA shall be used only for the purposes permitted under the applicable SEBI Circular, Exchange Operational Guidelines and instructions of the Clearing Corporations and Depositories.
- CUSPA shall not be used for securities that are fully paid by the client or for anticipated/future obligations.

3. Regulatory Framework

This Policy shall be read with the applicable provisions of the SEBI Master Circular for Stock Brokers, the SEBI Circular dated 03 July 2026, NSE and BSE Operational Guidelines dated 31 July 2026, and all applicable instructions/circulars of SEBI, Stock Exchanges, Clearing Corporations and Depositories, as amended from time to time.

4. Definitions

Term	Meaning
CUSPA	Client Unpaid Securities Pledgee Account opened and maintained by the TM with the concerned Depository.
CUSPA Pledge	Auto-pledge of unpaid securities in favour of the TM's CUSPA account with reason "unpaid".
Pay-out Date	The date on which securities are credited to the client's demat account as part of the settlement pay-out.
Unpaid Securities	Securities not paid for in full by the client, determined

	in accordance with this Policy and applicable operational guidelines.
UCC	Unique Client Code of the respective client.
PRCPE	Permitted Reasons for CUSPA Pledge Extension specified in the NSE and BSE Operational Guidelines.

5. Opening and Maintenance of CUSPA

- The Company shall maintain the CUSPA demat account in the manner prescribed by the concerned Depository and ensure that the account is appropriately tagged, mapped and used only for permitted purposes.
- CUSPA shall be maintained with the Depository where the concerned client has its demat account.
- Opening of CUSPA is required where the Company intends to hold securities as CUSPA pledge.

6. Determination of Unpaid Securities and Creation of Pledge

- For trades not covered under MTF, securities shall be paid out directly to the client's demat account followed by creation of an auto-pledge, without any specific instruction from the client, in favour of the Company's CUSPA account, with reason "unpaid".
- For determining unpaid status, the end-of-day clear ledger balance shall be considered. Funds from such balance that are blocked/used for existing client margin may be excluded from the freely available clear ledger balance.
- CUSPA pledge shall not be initiated in anticipation of future obligations; only unpaid securities are eligible.
- Where a client has partially paid for securities, the Company may request CUSPA pledge marking on all securities received as part of the payout. This treatment shall be applied consistently in accordance with the Company's risk management process.
- The CUSPA pledge shall be created as part of the Clearing Corporation direct pay-out process and in accordance with the applicable Clearing Corporation and Depository processes.

7. Client Communication on CUSPA Pledge

- For every CUSPA pledge created, the Company shall communicate the required information to the client through email, SMS, or both, or electronic instant messaging services, as applicable, using the client's registered contact details and following the prescribed safeguards.
- The communication shall be sent on or before the start of the next trading day on which the CUSPA pledge is created in the Depository system.
- The communication shall contain at minimum: (i) client's ledger debit/outstanding funds and margin obligation; (ii) details of securities pledged, including security name and quantity; and (iii) information regarding the Company's right to invoke the pledge and liquidate the unpaid securities if the client fails to fulfil the payment obligation.
- All communications and delivery logs shall be preserved. Where communication is bounced/undelivered, an alternate suitable channel shall be used.
- Pledges created on the same day may be covered in one consolidated communication; a fresh communication shall be issued where a pledge is created on a subsequent day.

8. Client Payment Timeline

The Company shall prescribe a maximum payment period of five (5) trading days from the pay-out date for the client to meet the payment obligation. The Company may, at its discretion and based on its risk assessment, invoke and liquidate the unpaid securities earlier within the permitted period, after providing reasonable notice to the client.

9. Policy for Release of Excess CUSPA Pledge

At the end of every trading day, on a client-wise basis, the Company shall determine:

- A = Value of securities pledged in CUSPA, valued in the same manner as securities pledged under the margin pledge mechanism for margin collection and reporting.
- B = Aggregate clear ledger balance of the client across all non-MTF ledgers, with debit balances treated as negative and credit balances as positive.
- C = End-of-Day margin obligation of the client across all segments.
- Maximum Permissible CUSPA Pledge Value = 2.25 × (C − B). Where B is greater than C, no CUSPA pledge shall be continued and the remaining CUSPA pledge shall be released.

Where A exceeds the Maximum Permissible CUSPA Pledge Value, the Company shall release the pledge on the appropriate quantity of securities corresponding to the excess value on or before the next trading day. No fractional unit/quantity is required to be released; such fraction may be retained.

If the client pays after pledge creation and such payment results in an excess CUSPA pledge, the excess shall be released on or before the next trading day. Where ledger debit and margin obligation become zero, all remaining CUSPA pledges shall be released.

10. Margin Reporting and Prohibition on Exposure

- CUSPA securities may be considered for client margin collection reporting as permitted by the applicable Exchange/SEBI framework.
- For Peak Margin Reporting, the maximum value of CUSPA securities pledged during the day may be considered.
- For End-of-Day Margin Reporting, the value of CUSPA securities remaining pledged in the Depository system at the end of the day may be considered.
- Valuation shall be carried out in the same manner as securities pledged under the margin pledge mechanism prevailing from time to time.
- The Company shall not provide any exposure to the client on the basis of CUSPA-pledged securities, even if their market value increases or part of the client's debit has been recovered.
- Free and unencumbered additional funds/collateral securities separately provided by the client may be considered for exposure only in accordance with applicable margin guidelines.

11. Invocation and Liquidation

- If the client fails to meet the payment obligation within the timeline specified in this Policy, the Company may invoke the CUSPA pledge and liquidate the unpaid securities, subject to the applicable regulatory and Exchange/Depository processes.
- Before invocation and liquidation, reasonable notice shall be provided to the client through a verifiable mode such as email, SMS or permitted electronic instant messaging, and the communication log shall be preserved.
- Upon invocation, the securities shall be blocked for early pay-in in the client's demat account, with the prescribed trail maintained in the Company's CUSPA account.
- The pay-in block shall be subject to pay-in validation and only to the extent of the client's delivery obligation as provided by the Clearing Corporation to the Depository.
- The unpaid securities shall ordinarily be sold in the market using the UCC of the respective client.
- If the client's trading account is frozen or the client's trading code is marked as "Not permitted to trade" or equivalent status by the Exchange after pledge creation, the invoked securities shall be credited to the Company's demat account and sold under the Company's proprietary code, with same-day pay-in as prescribed.
- Any surplus funds remaining after adjustment of the client's outstanding obligation shall be credited to the client's ledger.

- Liquidation trades shall be appropriately identified in the contract note/remarks in accordance with applicable Exchange requirements.

12. Priority for Release / Invocation

The Company shall follow a First-In-First-Out (FIFO) methodology, based on the date of creation of the respective CUSPA pledge, for selection of securities for release or liquidation, unless a different methodology is specifically approved and incorporated into this Policy through a valid revision.

13. Auto-Release of CUSPA Pledge

- Where a CUSPA pledge is neither invoked nor released within five (5) trading days after the pay-out date, the pledge shall be automatically released by the Depository at the end of the sixth trading day after the pay-out date, and the securities shall become available to the client as free balance without encumbrance.
- The Company may request release at any time before such auto-release.
- Invocation of a CUSPA pledge is permitted only within the applicable period prescribed by the Exchange/Depository, subject to any validly approved extension.

14. Prohibition on Further Pledging / Transfer

Securities pledged in favour of the Company's CUSPA shall not be pledged, re-pledged or transferred to any Bank or Non-Banking Financial Company (NBFC) for raising funds. Such securities shall also not be re-pledged to a Clearing Corporation for margin purposes.

15. Extension of CUSPA Pledge in Exceptional Circumstances

This section shall apply from 03 January 2027, being the effective date specified in the SEBI Circular / NSE and BSE Operational Guidelines for the provisions relating to extension of pledge.

Where unpaid pledged securities cannot be liquidated within five (5) trading days after the pay-out date due to a permitted exceptional circumstance, the Company may request extension through its DP by 6:00 p.m. on the fifth trading day after the pay-out date, in the manner and format prescribed by the concerned Depository.

PRCPE Code	Permitted Reason
CUSPA01	Security being in lower circuit with only sellers
CUSPA02	Suspension or trading halt due to surveillance or any other reason
CUSPA03	Security under GSM and permitted only weekly/monthly trading
CUSPA04	Sale not permitted due to MII/SEBI instructions
CUSPA05	Sale not permitted due to orders of an authority other than MII/SEBI
CUSPA06	Sale not permitted due to PIT Regulations, including insider trading restrictions / trading window closure

- The Company shall seek extension only for the permitted reasons and shall ensure that attempts to liquidate the securities have been made. For CUSPA01, a sell order shall be placed as an attempt to liquidate before seeking extension.
- Where the exceptional circumstance continues through the extended period, a further extension may be sought for a similar period through the prescribed process.
- Once the circumstance on which the extension was sought ceases to exist, no further extension shall be sought for that reason.

- For each extension, the Company shall communicate the extension to the client through email, SMS, or permitted electronic instant messaging, with communication logs preserved. The communication shall be sent on or before the start of trading of the next day of the pledge extension in the Depository system.
- If an extension request is not submitted within the prescribed timeline, the CUSPA pledge shall be automatically released as per the Depository process.
- Invocation under an extended CUSPA shall be permitted up to the trading day immediately preceding the applicable Pledge Expiry Date. If neither invoked nor released, the pledge shall auto-release on the applicable Pledge Expiry Date EOD.

16. Technology, Controls and Record Keeping

- The Company shall maintain system/process controls for identification of unpaid securities, CUSPA pledge creation, daily valuation and release calculations, client communications, invocation, liquidation, extension requests and auto-release monitoring.
- The Company shall maintain appropriate audit trails for CUSPA transactions and client communications, including logs of notices and extension communications.
- Compliance/Risk Management shall periodically review the operation of the CUSPA mechanism and exceptions, including any failed/bounced communications, pledge extensions and liquidation cases.

17. Roles and Responsibilities

Function	Responsibility
Operations / Settlement	Identify unpaid securities, coordinate direct pay-out/CUSPA creation, release and depository processes, and maintain operational records.
Risk Management	Monitor client obligations, daily CUSPA limits, exposure restrictions and liquidation decisions in accordance with this Policy.
Compliance	Monitor regulatory/Exchange requirements, review implementation, maintain policy governance and ensure revisions are appropriately approved and communicated.
IT / Technology	Maintain system controls, interfaces, alerts and audit trails required for CUSPA processing.

18. Client Communication and Website Disclosure

- This Policy shall be hosted on the Company's website.
- Existing clients to whom the CUSPA mechanism is applicable shall be communicated this Policy or a direct web-link to the Policy through email, SMS or other verifiable means before implementation, i.e. before 31 October 2026.
- For clients onboarded subsequently, this Policy or a direct web-link shall be communicated as part of account opening / onboarding and before the CUSPA mechanism is applied to such client.
- Whenever this Policy is revised, the revised Policy shall be approved as per the Company's internal governance framework, hosted on the website and communicated to clients before it becomes effective. Communication logs shall be preserved.

19. Exceptions and Regulatory Changes

No exception to the requirements of this Policy shall be permitted where it would be inconsistent with applicable SEBI, Exchange, Clearing Corporation or Depository requirements. In case of any regulatory change, the applicable regulatory requirement shall prevail and this Policy shall be revised at the earliest through the Company's governance process.

20. Effective Date

This Policy shall be effective from 31 October 2026 for the provisions corresponding to SEBI Circular paragraphs 46.1 to 46.11 and the NSE and BSE Operational Guidelines 1 to 9. The provisions relating to exceptional extension of pledge corresponding to SEBI paragraphs 46.12 to 46.14 / NSE and BSE Operational Guideline 10 shall be effective from 03 January 2027.

21. Regulatory References

- **SEBI Circular No. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated 03 July 2026** – Handling of Client's Unpaid Securities by Trading Members.
- **NSE Circular Ref. No. 41/2026 (Download Ref. NSE/INSP/75508) dated 31 July 2026** – Operational Guidelines on Handling of Client's Unpaid Securities by Trading Members.
- **BSE Notice No. 20260731-12 dated 31 July 2026** – Operational Guidelines on Handling of Client's Unpaid Securities by Trading Members.

— End of Policy —