



**CLIENT UNPAID SECURITIES PLEDGEE ACCOUNT POLICY**  
**Of**  
**SINGHAL CAPITAL MARKET LIMITED**

Our Company has introduced the “client unpaid securities account” with reference to SEBI, vide circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022 and NSE Circular no NSE/INSP/61507 dated April 05, 2024 and inter-alia specified the following:

1. With regard to securities that have not been paid for in full by the clients (unpaid securities), a separate client account titled – “client unpaid securities account” is being opened. Unpaid securities shall be transferred to such “client unpaid securities account” from our pool account.
2. The securities kept in the ‘client unpaid securities account’ shall either be transferred to the demat account of the respective client upon fulfilment of client’s funds obligation or shall be disposed off in the market through us within five trading days after the payout. The unpaid securities shall be sold from the Unique Client Code (UCC) of the respective client.
3. Profit/loss on the sale transaction of the said unpaid securities, if any, is to be transferred to/adjusted from the respective client account only and none of our employee/employer & company will not be liable on account liquidation losses if any.
4. In case the clients’ securities are kept in the ‘client unpaid securities account’ beyond seven trading days after the pay-out, the depositories shall under their byelaws levy appropriate penalties upon us which we will not be recovering from the client.
5. All the securities received in pay-out, shall be transferred to the demat account of the respective clients directly from our pool account within one working day of the payout.
6. With regard to the unpaid securities (i.e., the securities that have not been paid for in full by the clients), such securities shall be transferred to respective client’s demat account followed by creation of an auto-pledge mark (i.e., without any specific instruction from the

client) with the reason “unpaid”, in favour of a separate account titled – “client unpaid securities pledgee account” (CUSPA) are opened by us at NSDL.

7. After the creation of pledge, a communication (email / SMS) will be inform by us to the respective clients about their funds obligation via daily margin statement and also informing on T+1+3 to between 4 days that we can sell such and other securities in the event of failure by client to fulfil their obligation before T+1+5 day 09:15 am.

8. If the client fulfils its funds obligation within five trading days after the pay-out not later than 09:00 am of 5th day, then we shall release the pledge so that the securities are available to the client as free balance.

9. If the client does not fulfil its funds obligation, such unpaid securities shall be disposed off in the market within five trading days after the pay-out at any time. Before disposing the securities, we will inform (email / SMS) to the client, one trading day prior of such sale.

10. Pledge shall be invoked only against the delivery obligation of the client. On invocation, the securities shall be blocked for early pay-in in the client’s demat account with a trail being maintained in the client unpaid securities pledgee account.

11. Once such securities are blocked for early pay-in in clients demat account, the depositories shall verify the block details against the client level obligation in accordance with the SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2021/595 dated July 16, 2021 and SEBI/HO/MIRSD/DoP/P/CIR/2022/109 dated August 18, 2022.

12. In case, such pledge is neither invoked nor released within seven trading days after the pay-out, the pledge on securities shall be auto released and the securities shall be available to the client as free balance without encumbrance.

12. However said CUSPA securities of clients will be blocked by Depository from 6<sup>th</sup> day onwards to 7<sup>th</sup> day EOD, during the said period Depository will restrict for payin of securities, so in case if client sell said securities then it will go to be auction and in said scenario member will not bear any losses & charges on said transaction.

13. Such unpaid securities pledged in favor of CUSPA account of member (reduced by the appropriate haircut subject to minimum 20%) will be considered by us while collection and reporting of margin only to the extent of debit balances in client ledger arising out of buying obligation of such securities until the said CUSPA pledge securities is neither invoked nor released. however we will not grant any exposure/limits on said securities.