



CUSPA Account Handling Policy
(Internal Policy of Hindustan Tradecom Private Limited)

1. Objective

This policy outlines the procedures for handling the **Client Unpaid Securities Pledged Account (CUSPA)** in accordance with applicable SEBI and Exchange regulations. The objective is to ensure effective monitoring of client debit balances, timely communication with clients, and appropriate liquidation of unpaid securities in cases of non-payment.

2. Creation of CUSPA Holdings (T+1)

When a client purchases securities and the corresponding funds are not received by **T+1**, the client ledger may reflect a debit balance.

Policy Guidelines

- Clients maintaining a debit balance exceeding **₹2,000** shall be considered for marking unpaid securities into the CUSPA account.
 - At the time of securities payout, unpaid securities corresponding to the outstanding debit balance shall be transferred to the **CUSPA account** in accordance with SEBI's framework for unpaid securities.
 - Such securities shall remain under CUSPA until the client clears the outstanding debit balance.
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3. Daily Client Communication (T to T+5)

To ensure transparency and timely client awareness:

- Daily **SMS** and **email notifications** shall be sent to the client's registered mobile number and email address.
 - The communication shall include:
 - Outstanding debit balance details; and
 - Information regarding securities marked under the CUSPA account.
 - Communication shall continue on a daily basis until:
 - The debit balance is fully cleared; or
 - The securities are released or the securities are liquidated.
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4. RMS Monitoring and Fund Consideration (T+5)

On **T+5**, the Risk Management System (RMS) team shall monitor fund receipts and consider only clear funds received up to the prescribed cut-off time.

Fund Consideration

- The RMS team shall wait until **3:15 PM** for receipt of clear funds.
 - Only funds reflecting as a **clear bank balance** by **3:15 PM** shall be considered for settlement of the debit balance.
 - Upon receipt of adequate funds before the cut-off time:
 - The CUSPA-marked securities shall be released; and
 - The securities shall be restored as free holdings in the client's demat account.
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5. Liquidation of Securities (T+5 – Post 3:15 PM)

Where sufficient funds are not received by **3:15 PM on T+5**, the RMS team shall initiate liquidation of unpaid securities.

Liquidation Process

- CUSPA securities of an approximate value equal to the outstanding debit balance shall be identified.
 - A liquidation sale shall be executed to recover the unpaid amount.
 - Sale proceeds shall be applied solely towards settlement of the debit balance.
 - Any resulting surplus or shortfall shall be appropriately reflected in the client's ledger account.
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6. Client-Initiated Payment before T+5

Payment on or Before 1:00 PM

- If the client clears the entire outstanding debit balance on or before **1:00 PM** on a business day, the unpledged/release securities shall be processed on the same day.

Payment after 1:00 PM

- If the client clears the outstanding debit balance after **1:00 PM**, the release securities shall be processed during the next operational cycle and the securities shall be released on the next business day, subject to successful confirmation of funds.

7. Compliance and Record Maintenance

- All relevant records, including:
 - Ledger entries,
 - Pledge and unpledged transactions,
 - Client communication logs, and
 - Liquidation records,Shall be maintained and preserved in accordance with SEBI and Exchange audit norms.
- Any operational exception, deviation, or non-compliance shall be escalated to the Compliance Officer for review and appropriate action.

8. Policy Review

This policy shall be reviewed periodically and updated as required to reflect changes in regulatory requirements, SEBI guidelines, Exchange circulars, or internal operational processes.

Version:3.0

Last Reviewed On: 15 April 2026

Policy Owner: Compliance Department, Hindustan Tradecom Private Limited