



POLICY ON TREATMENT OF CLIENT UNPAID SHARES

Client shares are called unpaid when on the date of settlement, the client does not have sufficient funds available with Upstox for settlement purposes. This policy provides for the rules laid out for treatment of client unpaid shares:

- While giving payout, the unpaid shares are pledged to a separate account called Client Unpaid Securities Pledge Account (CUSPA)
- Shares upto 150% of the shortage or Negative ledger shall be pledged to the CUSPA.
- Necessary pledge charges shall apply
- Necessary notifications shall be sent to the defaulting client
- Securities pledged in the CUSPA shall be held maximum upto T+1+5. Such unpaid shares may be confiscated anytime within such a maximum time limit
- The securities pledged shall be marked to market. If the value of shares so pledged falls below the net recoverable value, before the permitted timeline, such shares shall be confiscated and sold immediately. The client may or may not be notified before such confiscation
- On confiscation the securities shall be sold by Upstox at the prevailing market price
- Number of shares to be sold shall be decided on the basis of the prevailing market price and the net value to be recovered. (Net value to be recovered shall cover ledger shortfall, pledgee charges, confiscation charges, stamp duty or any other charges that may be applicable)
- Upstox shall not be liable to pay the client any losses on account of confiscation of such unpaid shares
- No margin or exposure shall be granted to clients against such CUSPA pledged securities