



POLICY ON TREATMENT OF CLIENT UNPAID SHARES

RKSV Securities India Pvt Ltd (*herein* referred to as UPSTOX)

In the normal course of business as per the RMS policy, all clients that wish to buy any shares / securities shall be required to pay for such securities on an upfront basis. However due to some unexceptional reason / condition after the purchase of shares the client may go into debits. This policy gives out action that shall be initiated by UPSTOX in case the share of the clients remains unpaid beyond the exchange specified period.

Referring to the SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, SEBI/HO/MIRSD/DOP/CIR/P/2019/95 dated August 29, 2019 and Exchange circular NSE/INSP/41359 dated June 20, 2019 on Handling of Clients' Securities by Trading Members/Clearing Members, unpaid shares has been defined as any amount whether partial or in full that remains unpaid by any client for the shares / securities purchased by such clients.

Accordingly, UPSTOX as per the statutory requirement shall move such partial / fully unpaid shares of the client that are received as Payout to a separate account which shall be termed as "Client Unpaid Shares Account". Such unpaid shares shall be held by UPSTOX in such account for the next 5 days from the payout date. (or as may be defined 7 days reckon from the trade date).

During the interim period i.e. from the Trade day till the 7th day, if the client clears its dues*, such shares shall be credited into the clients demat account within the next working day from the date of payment. If such shares / securities remains unpaid till the 7th day, such unpaid shares / securities shall be disposed off (i.e. sold) by the RMS on the 7th day reckon from the trade date.

* Disposing off of such unpaid shares shall happen during the last 60 mins of the market hours. Any client who is desirous of clearing its dues shall be required to pay the unpaid amount by 2.30 pm before the 7th day (reckon from the trade date).

In case wherein dues are cleared by client after the said timelines, UPSTOX shall not be held responsible by such clients for such unpaid shares / securities so disposed off. UPSTOX shall not be held responsible by the clients for the payments made within such timelines, however due to any technical reason either in the banking channel / payment gateway / UPI, etc such payment confirmation is not reflected in the banking channel of UPSTOX.

Depending on the quantum of unpaid amount UPSTOX may decide on the quantity of shares / securities that shall be disposed off and the balance quantity (if any) shall be credited to the clients demat account within the next working day.