Department: Inspection	Segment: All
Circular No: MSE/INSP/19486/2026	**Date: August 03, 2026**

Subject: Operational guidelines on Handling of Client's Unpaid Securities by Trading Members

To All Trading Members,

This is with reference to SEBI circular no. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026, on "Handling of Client's Unpaid Securities by Trading Members".

In accordance with aforesaid SEBI circular, Operational Guidelines as framed in consultation with SEBI, Depositories and the Brokers' Industry Standards Forum ("Brokers' ISF") are enclosed herewith as **Annexure A**.

Members are advised to take note of the same and comply.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Anshu Bharti
AVP – Inspection

Annexure A

Operational Guidelines issued by the Stock Exchanges, in consultation with the Depositories, for implementation of SEBI Circular No. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026 on "Handling of Client's Unpaid Securities by Trading Members"

BACKGROUND

1. These Operational Guidelines are issued by the Stock Exchanges, in consultation with SEBI, Depositories and the Brokers' Industry Standards Forum ("Brokers' ISF"), for implementation of SEBI Circular No. HO/38/11/(9)2026-MIRSD-POD/I/15382/2026 dated July 03, 2026 on "Handling of Client's Unpaid Securities by Trading Members" ("SEBI Circular"). Unless otherwise specified, the words and expressions used but not defined in these Operational Guidelines shall have the same meaning as assigned to them under the SEBI Circular, the Master Circular for Stock Brokers and other applicable circulars, operational guidelines and instructions issued by SEBI, the Stock Exchanges, Clearing Corporations and Depositories from time to time. These Operational Guidelines shall be read together with the Operational Guidelines and instructions issued by the Clearing Corporations and Depositories in relation to direct pay-out of securities, creation and release of pledge, invocation of pledge, early pay-in and extension of pledge.

2. The provisions of Operational Guidelines 1 to 9, corresponding to paragraphs 46.1 to 46.11 of the SEBI Circular, shall come into force with effect from October 31,2026 being three months from the date of issuance of these Operational Guidelines. Operational Guideline 10, corresponding to paragraphs 46.12 to 46.14 of the SEBI Circular on Extension of pledge in exceptional circumstances, shall come into force with effect from January 03,2027 in accordance with paragraph 7 of the SEBI Circular. However, aforesaid timeline is not applicable to the provisions in these operational guidelines that are carried over unchanged from the previous guidelines of SEBI/Exchanges/depositories, and such provisions will continue to remain effective and in force.

GUIDELINES

1. Operational Guideline 1 – Creation of Pledge for Unpaid Securities (Paragraph 46.1 of the SEBI Circular)

1.1 For trades not covered under the Margin Trading Facility ("MTF"), the pay-out of unpaid securities, i.e., securities that have not been paid for in full by the client, securities shall be made directly to the client's demat account followed by an auto-pledge creation request, without any specific instruction from the client, with the reason "unpaid", in favour of a separate demat account titled "Client Unpaid Securities Pledgee Account (CUSPA)", opened by the Trading Member ("TM"). (Pledges so created are hereinafter referred to as "CUSPA pledge" in these Guidelines.)

1.2 The CUSPA pledge shall be created as part of the CC direct pay-out process, in accordance with the Operational Guidelines and instructions issued by the Clearing Corporations and Depositories from time to time including uploading of the CUSPA pledge request as a part of the CC direct payout processes.

1.3 For determination of unpaid status of the securities, the end of day clear ledger balance is to be considered. However, any funds out of said end of day clear ledger balance is blocked (used) for existing margin of client, then same may be excluded from end of day clear ledger balance for determination of unpaid status of the securities.

1.4 The TM shall open and maintain the CUSPA demat account in the manner prescribed by the concerned Depository and shall ensure that the account is appropriately tagged, mapped and used only for the purposes permitted under the SEBI Circular and these Operational Guidelines.

1.5 Opening a CUSPA demat account shall be mandatory only for TM who desires to hold securities as CUSPA pledge.

Question	**Answer**
Client has ₹100 clear credit balance on T day and buys shares worth ₹90 on T day. There are no other positions. Can member request CC for CUSPA pledge marking on these shares to be settled on T+1 as part of payout?	No. The securities are fully paid and cannot be pledged in CUSPA.
Client has ₹100 credit on T day but ₹60 is used for margin and purchases shares worth ₹100 on T day. Can member request CC for CUSPA pledge marking on these shares to be settled on T+1 as part of payout?	Yes. Only ₹40 remains freely available, therefore, the securities bought by client are not fully paid and are eligible for CUSPA.
Client has ₹60 credit balance on T day and purchases securities worth ₹100 on T day. Can member request CC for CUSPA pledge marking on entire shares worth Rs. 100 to be settled on T+1 as part of payout?	Yes, however, it should be part of Member Risk management Policy that in case of partial payment by client, member can request CC for CUSPA pledge marking on all shares to be received as part of payout.
Can CUSPA pledge be initiated in anticipation of future obligations?	No. Only unpaid securities are eligible.
Is it mandatory for Prop-only TM to open a CUSPA demat account?	No. A CUSPA demat account is required to be opened only by a Trading Member who desires to hold securities as CUSPA pledge.
A TM with client business, but its business model does not result in unpaid securities. Does said TM need to open a CUSPA demat account?	No. A CUSPA demat account is required to be opened only by a TM who desires to hold securities as CUSPA pledge. While it is not a mandatory requirement, member may please note that if a

Question	Answer
	CUSPA demat account is not opened, a CUSPA pledge will not be possible even if member wishes to create one. Hence, member may decide accordingly.
Whether Operational guideline 1 (**Creation of Pledge for Unpaid Securities)** mentioned here is different from Operational Guideline 6 (**Release of Excess CUSPA Pledge)**?	Yes. Operational guideline 1 provides the guidelines on creation of upcoming CUSPA pledge i.e. when CUSPA Pledge request can be made to CC, manner of creation of CUSPA pledge, and how much CUSPA pledge request can be made to CC. However, operational guideline 6 is applicable post creation of CUSPA pledge which provides the guidelines on maximum value of existing CUSPA pledged shares which can be retained by member on end of day basis and release of excess existing CUSPA pledged shares, if any.
Does TM need to open CUSPA account with both depositories?	Trading members need to maintain Client Unpaid Security Pledge Account (CUSPA) in depository where their client has demat account.

2. Operational Guideline 2 – Communication to Client (Paragraph 46.2 of the SEBI Circular)

2.1 For all CUSPA pledges created, the TM shall communicate the required information to the client through email, SMS, or both, or electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular MSE/INSP/11934/2022 dated June 13, 2022 at the email address and/or mobile number registered with the TM. Log of communication shall be preserved by TM.

2.2 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.

2.3 The communication shall contain, at a minimum, the following details:
- client's ledger debit amount/ client's outstanding funds and margin obligation;
- details of the securities pledged in CUSPA, including name of the security and quantity;
- information regarding the right of the TM to invoke the pledge and liquidate the unpaid securities in the event of failure by the client to fulfil the payment obligation;
- any other information that the TM considers appropriate.

2.4 The communication may be issued either as a standalone communication or as additional information in the daily margin statement, if any.

Question	Answer
Client purchases securities on Monday. Pay-out is due on Tuesday. By when should TM communicate the CUSPA pledge to the client?	The pledge will be created in the Depository system on Tuesday. The client should be informed on or before the beginning of trading on Wednesday.
Client purchases securities on Monday. TM instructed the Clearing Corporation to create the CUSPA pledge. Can TM inform the client on Monday itself?	The client should be informed on or before the beginning of trading on the day on which the pledge is created in the Depository system. Therefore, the client may be informed on Monday itself.
TM wants to show the opening, additions and closing CUSPA balances in Daily Margin Statement on a daily basis. Is that permitted?	The regulatory requirement is to communicate the information only once. However, if TM wishes to provide additional information, the same is permitted.
Should communication be sent for each pledge separately, or can a consolidated communication covering all pledges created on the same day be sent? If another pledge is created on the following day, is a fresh communication required?	Every CUSPA pledge must be communicated. However, all pledges created on the same day may be included in a consolidated communication. Further, fresh communication is required if another pledge is created on the following day.

3. Operational Guideline 3 – Policy for Handling Unpaid Securities and Communication of Policy (Paragraph 46.3 of the SEBI Circular)

3.1 Every TM that desires to hold securities as CUSPA pledge shall formulate and maintain a policy.

3.2 The policy may either be maintained as a standalone policy; or form part of the Risk Management Policy of the TM.

3.3 The policy shall be approved by the competent authority in accordance with the internal governance framework of TM, such as its Board of Directors, partners, proprietor or designated senior management, as applicable. In case of Qualified Stock Broker, Member should ensure compliance of the provisions of MSE circular MSE/INSP/13570/2023 and any other circular issued by Exchanges from time to time.

3.4 The policy shall be hosted on the website of the TM.

3.5 TMs shall communicate the policy, or a direct web-link to the policy, to all their existing clients on whom CUSPA mechanism is applicable through email/ SMS or any other verifiable means prior to implementation of these guidelines i.e. October 31,2026. Log of communication should be preserved by the member.

3.6 In the case of clients onboarded subsequently, TMs shall communicate the policy as part of the account opening process or through a direct web-link to the policy by way of email/ SMS or any other verifiable means before the CUSPA mechanism is applied to such client. Log of communication should be preserved by the member.

3.7 Whenever the policy is revised, the revised policy shall:
- be approved in accordance with the internal governance framework of the TM. In case of Qualified Stock Broker, Member should ensure compliance of the provisions of MSE circular MSE/INSP/13570/2023 and any other circular issued by Exchanges from time to time.
- be hosted on the website of the TM, and
- be communicated to all clients appropriately before the revised policy comes into effect.
- Log of communication should be preserved.

3.8 In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/ electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular MSE/INSP/11934/2022 dated June 13, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

Question	**Answer**
TM has updated Risk Management Policy and included all the CUSPA-related disclosures in it. Is that sufficient?	Yes. The CUSPA-related provisions may either form part of the Risk Management Policy or be maintained as a standalone policy, at the discretion of the TM.
Should clients be informed whenever the policy is revised?	Yes. The revised policy or a web link to the policy should be communicated before it becomes effective.
Is Board approval mandatory for the Policy?	The Policy should be approved by the competent authority in accordance with the TM's internal governance framework, such as the Board of Directors, partners, proprietor or designated senior management, as applicable. In case of Qualified Stock Broker, Member should ensure compliance of the provisions of MSE circular MSE/INSP/13570/2023 and any other circular issued by Exchanges from time to time.
If the Policy is revised, is it sufficient to update only the website?	No. The revised policy should be approved by the competent authority, hosted on the website and communicated to clients before it becomes effective. Log of communication should be preserved.

4. Operational Guideline 4 – Contents of the Policy (Paragraph 46.4 of the SEBI Circular)

4.1 The policy shall clearly specify the circumstances, manner, timeline, extent for creation/ invocation/ extension and release of CUSPA pledge processes of the TM.

4.2 The policy should also specify the priority for release and invocation of CUSPA pledges. Where the TM does not specify such priority, First in First Out (FIFO) based on the date of creation of the respective CUSPA pledge shall apply.

Question	Answer
How should securities be selected for release or liquidation?	The TM should follow the methodology disclosed in its policy. If nothing is specified in the policy, FIFO applies.

5. Operational Guideline 5 – Margin Reporting and Prohibition on Exposure (Paragraph 46.5 of the SEBI Circular)

5.1 The value of securities pledged in CUSPA may be considered for reporting client margin collection as follows:
- For Peak Margin Reporting, the maximum value of CUSPA securities pledged during the day may be considered; and
- 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.

5.2 Valuation of CUSPA securities for margin collection and reporting shall be carried out in the same manner as securities pledged under the margin pledge mechanism prevailing from time to time.

5.3 Notwithstanding that the value of CUSPA securities may be considered for reporting client margin collection, the TM shall not provide any exposure to the client on CUSPA securities. Further, applicable guidelines of Exchange on consideration of CUSPA shares for margin collection and reporting purpose also stand modified accordingly.

Question	Answer
If client has ₹120 credit balance and out of which ₹100 is used for open margin obligation on T day. Remaining ₹20 is used for buying unpaid securities of ₹100 on T day and said securities of ₹100 get marked as CUSPA pledged on T+1 day as part of payout. (A) Can said unpaid shares marked as CUSPA pledged on T+1 as part of payout be considered while reporting of Margin for T+1 day when credit ledger balance is ₹20 and Open Margin Obligation (assuming no change in margin obligation) is ₹100? (B) Can member allow exposure on T+1 or thereafter on the basis of CUSPA pledged securities? (C) Can member allow exposure on T+1 or thereafter on the basis of CUSPA securities if value of CUSPA securities increased beyond the debit balance or partial debit has been recovered? (D) If client provides separate additional funds/ collateral stock, can same be considered for exposure?	(A) Yes, CUSPA pledged securities can be considered while reporting margin for T+1 day. (B) No, Member cannot allow exposure on the basis of CUSPA pledged securities. (C) No, Member cannot allow exposure on the basis of CUSPA pledged securities even if there is increase in value of CUSPA pledged securities or partial value of CUSPA pledged securities has been recovered. (D) Yes, Free and Unencumbered additional funds/ collateral stock provided by client may be considered for exposure in accordance with the applicable Margin guidelines issued by Exchanges.

6. Operational Guideline 6 – Release of Excess CUSPA Pledge (Paragraphs 46.6 and 46.7 of the SEBI Circular)

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

A = Value of the securities pledged in CUSPA, determined in accordance with Operational Guideline 5 i.e. Valuation of CUSPA securities shall be carried out in the same manner as valuation of securities pledged under the margin pledge mechanism done for Margin Collection and Reporting purpose.

B = Aggregate clear ledger balance of the client across all non-MTF ledgers (debit balances shall be treated as negative and credit balances shall be treated as positive).

C = End-of-Day margin obligation of the client across all segments.

6.2 The maximum value of securities that may remain pledged in CUSPA shall be determined as follows:

Maximum Permissible CUSPA Pledge Value = 2.25 × (C - B)

6.3 Where A exceeds the maximum permissible CUSPA pledge value, the TM shall release the pledge on the appropriate quantity of securities corresponding to the excess value on or before the next trading day. As a result of aforesaid calculation, if any fraction of unit/quantity of securities to be released then member is not required to release fraction of unit/quantity and same may be retained.

6.4 Release of the pledge may be effected either through auto-release or through a TM-initiated release.

Question	**Answer**
If the client pays after pledge creation, should the pledge continue?	No. Any excess CUSPA pledge should be released on or before the next trading day.
Illustration of maximum permissible pledge value.	
For example, the client has a debit balance of ₹25000, and member holds only one share of a company valued at ₹1,00,000 as a CUSPA pledge.	Such a CUSPA pledge may be continued.
What if ledger debit and margin obligation become zero?	All remaining CUSPA pledges should be released.
If credit ledger balance (B) is more than the margin obligation (C) in the computation mentioned in 6.2, should the pledge continue?	No.
Is the calculation under Operational Guideline 6 required to be performed every trading day?	Yes. The Trading Member shall perform the calculation at the end of every trading day on a client-wise basis.
If the actual value of CUSPA securities is less than the Maximum Permissible CUSPA Pledge Value, is any release required?	No. Release is required only where the value of CUSPA securities exceeds the Maximum Permissible CUSPA Pledge Value.

7. Operational Guideline 7 – Invocation of Pledge and Liquidation of Unpaid Securities (Paragraphs 46.8 and 46.9 of the SEBI Circular)

7.1 Where the client fails to meet the payment obligation within the timeline prescribed in the policy of TM, the TM shall, in accordance with its policy, invoke the pledge and liquidate the unpaid securities.

7.2 Before invocation of the pledge and liquidation of unpaid securities, the TM shall provide reasonable notice to the client as per its policy through any verifiable mode of communication, such as email or SMS or electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular MSE/INSP/11934/2022 dated June 13, 2022 at the email address and/or mobile number registered with the TM. Log of the communication should be preserved by member.

7.3 Upon invocation, the principles prescribed under the SEBI Circular and the applicable operational mechanism under SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/82 dated June 03, 2025, as amended from time to time, shall be followed. In particular:

- the invoked securities shall be blocked for early pay-in in the client's demat account, with a trail being maintained in the TM's CUSPA account;
- the pay-in block in the client's demat account shall be subject to pay-in validation, i.e., only to the extent of the delivery obligation of that client as provided by the Clearing Corporations to the Depositories;

7.4 The unpaid securities shall ordinarily be sold in the market using the Unique Client Code ("UCC") of the respective client. Where the client's trading account is frozen, or the client's trading code is marked as "Not permitted to trade" or an equivalent status by the Stock Exchange after creation of the pledge, the invoked securities shall be credited to the demat account of the TM and sold by the TM under its proprietary code; and in such exceptional cases, the TM shall ensure that pay-in of the securities is completed on the same day as the invocation, so as to prevent accumulation of client securities in the demat account of the TM. Any surplus funds remaining after adjustment of the client's outstanding obligation shall be credited to the client's ledger.

7.5 Trades executed using the client's UCC for liquidation of unpaid securities pursuant to invocation of a CUSPA pledge shall be appropriately identified in the remark column of the contract note in accordance with the applicable Exchange circular MCX-SX/INSP/2054/2014 relating to contract notes and member-initiated liquidation or square-off trades.

Question	Answer
Should TM wait five trading days?	No. Five trading days is the maximum period permitted under the guidelines issued by SEBI and Exchanges. However, TM may invoke the pledge earlier in accordance with its Policy after giving reasonable notice to the client.

Question	Answer
Does the client have a right to defer payment to the Trading Member for five trading days?	No. Five trading days is only the maximum period that may be specified in the Trading Member's Policy. The Trading Member may prescribe a shorter timeline for payment. If the client fails to meet the payment obligation within the timeline specified in the Policy, the Trading Member may invoke the CUSPA pledge and liquidate the unpaid securities after giving reasonable notice to the client.
Should liquidation trades be separately identified?	Yes. Liquidation trades should be identified in accordance with the applicable Exchange requirements.

8. Operational Guideline 8 – Auto-release of Pledge (Paragraph 46.10 of the SEBI Circular)

8.1 Where a CUSPA pledge is neither invoked nor released within five 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. Upon auto-release, the securities shall become available in the client’s demat account as free balance without any encumbrance.

8.2 The TM may request release of the CUSPA pledge at any time before its auto-release by the Depository

8.3 As per the existing practice, invocation of a CUSPA pledge will be permitted only within five trading days from the pay-out date.

8.4 Where a valid extension request has been processed in accordance with Operational Guideline 10, auto-release shall be deferred for the period of the approved extension.

Question	Answer
A client purchased securities on Monday and the settlement took place on Tuesday. Assuming there are no holidays other than Saturday and Sunday, when will the securities be auto-released from CUSPA?	The securities will be automatically released by the Depository at the end of the sixth trading day after the pay-out date, provided the CUSPA pledge has neither been invoked, released or validly extended. In this example, the securities will be auto-released at the end of the Wednesday of the following week.

Question	Answer
Can TM release pledge earlier?	Yes. The TM may request release of the CUSPA pledge at any time before its auto-release by the Depository.
Can the Depository auto-release the CUSPA pledge before the sixth trading day after the pay-out date?	No. Auto-release takes place only at the end of the sixth trading day after the pay-out date, unless the pledge has already been released, invoked or validly extended in accordance with these Operational Guidelines.

9. Operational Guideline 9 – Prohibition on Further Pledging or Transfer of CUSPA-Pledged Securities - Paragraph 46.11 of the SEBI Circular

9.1 Securities pledged in favour of the CUSPA of the TM shall not be pledged, re-pledged or transferred to any bank or Non-Banking Financial Company ("NBFC") for raising funds.

Question	Answer
Can securities pledged in favour of the CUSPA of the TM be re-pledged to a Clearing Corporation for margin purposes?	No. Securities pledged in favour of the CUSPA of the TM shall not be re-pledged to a Clearing Corporation.
Can securities pledged in favour of the CUSPA of the TM be pledged, re-pledged or transferred to any bank or Non-Banking Financial Company ("NBFC") for raising funds?	No. Securities pledged in favour of the CUSPA of the TM shall not be pledged, re-pledged or transferred for raising funds.

10. Operational Guideline 10 – Extension of Pledge in Exceptional Circumstances (Paragraphs 46.12 to 46.14 of the SEBI Circular)

10.1 In exceptional circumstances, where the unpaid pledged securities cannot be liquidated within five trading days after the pay-out date, the TM may make a request to its DP, by 6:00 pm (or any extended time provided by the relevant Depository) on the fifth trading day after the pay-out date, for extension of the pledge by up to one additional calendar week along with Permitted Reasons for CUSPA Pledge Extension (PRCPE). The request for extension of the pledge shall be submitted by the TM to the DP with whom the CUSPA account is maintained, in the manner, format and through the system prescribed by the concerned Depository.

10.2 The PRCPE as per these Guidelines are:

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 (insider trading restrictions including trading window closure)

10.3 It shall be the responsibility of TM to ensure that an extension is sought only in the circumstances permitted under these Guidelines

10.4 Where the circumstances referred to in clause 10.1 continue throughout the extended period, the TM may seek a further extension for a similar period in accordance with the process prescribed by the Depository. However, once the circumstances on the basis of which the extension was sought cease to exist, the TM shall not seek any further extension for any reason.

10.5 The Depositories shall provide details of all pledge extensions to the Stock Exchanges in the manner and at the frequency prescribed by the Stock Exchanges, as part of the supervisory framework. Where an Exchange observes that an extension has been sought or obtained for a reason not permitted under the SEBI Circular or these Operational Guidelines, suitable disciplinary action may be initiated against the TM under the applicable Rules, Bye-laws, Regulations and circulars of the Exchange.

10.6 In the case of each extension of pledge, the TM shall communicate the extension to the client through email, SMS, or both, or electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular MSE/INSP/11934/2022 dated June 13, 2022 at the email address and/or mobile number registered with the TM. Log of communication shall be preserved by TM.

10.7 The communication shall be sent on or before the start of trading of the next day of the pledge extension in the depository system.

10.8 The communication may be issued either as a standalone communication; or as additional information in the daily margin statement issued, if any

Question	**Answer**
Can extension be granted in the Depository system merely because the client requested more time?	No. An extension may be granted only for the permitted reasons specified in Operational Guideline 10.
A client purchases shares on Monday. Settlement (pay-out) takes place on Tuesday. Assuming there are no holidays other than Saturday and Sunday, by	The Trading Member must submit the request for extension to its DP by 6:00 p.m. on the fifth trading day after the pay-out date. In this

Question	Answer
when can the Trading Member request an extension of the CUSPA pledge?	example, the request must be submitted by 6:00 p.m. on the following Tuesday.
In the above example, what if the deadline is missed?	If the extension request is not submitted within the prescribed timeline, the CUSPA pledge shall be automatically released at the end of day on Wednesday.
If a Trading Member submits the extension request within the prescribed timeline, what will be the new Pledge Expiry Date?	Assuming there are no holidays other than Saturday and Sunday, the new Pledge Expiry Date will be the following Wednesday. In general, the new Pledge Expiry Date will fall on the corresponding day of the next calendar week.
What if the corresponding day in the next calendar week is a Trading Holiday?	If the calculated Pledge Expiry Date falls on a Trading Holiday, the next Trading Day shall be considered and recorded as the new Pledge Expiry Date.
If a further extension is required, by when can the Trading Member submit the extension request?	For any subsequent extension, the Trading Member must submit the extension request up to 6:00 p.m. on the trading day immediately preceding the existing Pledge Expiry Date.
Can an extension be sought for any reason other than the PRCPE codes specified in Operational Guideline 10?	No. An extension may be sought only for the permitted reasons specified in Operational Guideline 10.
What are the timelines for invocation and release for an extended CUSPA.	Invocation shall be permitted up to the trading day immediately preceding the existing Pledge Expiry Date. TM may request release of the CUSPA pledge at any time before its auto-release by the Depository on EOD. In case the pledge is neither invoked nor released within the permitted timeline, the pledge shall be automatically released on the applicable Pledge Expiry Date EOD as per the prescribed process.

Question	Answer
Can member seek extension without making any attempt to liquidate securities for below reason: CUSPA01 - Security being in lower circuit with only sellers.	No, Member has to make attempts to liquidate securities and therefore, sell order should be put for the same to seek CUSPA extension on the basis of below reason: CUSPA01 - Security being in lower circuit with only sellers.

11. Operational Guideline 11 – Interpretation and Clarifications

11.1 The provisions of these Operational Guidelines shall be read in conjunction with the SEBI Circular and other funding/financing securities transactions related applicable circulars, guidelines and instructions issued by SEBI, the Stock Exchanges, Clearing Corporations and Depositories from time to time.