Policy regarding treatment of Inactive/Dormant Account

Objective:

The objective of the policy is to appropriately deal with Inactive/Dormant accounts, where clients have not traded for more than 12 months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges, any statutory/ regulatory authority and Internal Risk Management Policies.

Background:

SEBI vide circular MIRSD/SE/Cir-19/2009 dated December 3, 2009,

NSE vide circular NSE circulars no. NSE/INSP/13606 dated Dec 03, 2009,NSE/INSP/14048 dated Feb 03, 2010 and NSE/INSP/43488 dated Feb 10, 2020

BSE notice no. 20091204-7 dated Dec 04, 2009 , 20100203-30 dated Feb 03,2010 and 20200210-47 dated Feb 10,2020

Above mentioned circula directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

Procedure to handle Inactive/dormant accounts:

The Clients' accounts in which no transactions has taken place during the period of last 12 months, shall be considered as Dormant/ In-active account. To Designate the client's account as Dormant/ In-active account, the period of 12 months shall be counted from the last day of the month in which the last entry of any nature has been made.

The client may also request to temporarily suspend/ close his/its account without giving any reason to the trading member, after giving notice in writing at its head office at Indore.
The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in UCC database of all the respective Exchanges.

Process for reactivation of Inactive / dormant account which are inactive on account of Risk Management Policies / Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchanges or any statutory/regulatory authority:

The Members are also required to ensure that any further trading by such client should be allowed only after undertaking sufficient due *diligence* (including IPV) and obtaining the updated information related to KYC from the concerned Client. Appropriate disciplinary actions may be initiated in case of any trades are executed in any account flagged as 'Inactive'.

In Case any client's account becomes dormant, the trading permission in the account shall be suspended till the request for reopening is not received under clients signatures

alongwith the updation in KYC form, if any. In case there is any change in the information such as; address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same has to be submitted along with the request. After proper verification of the updated / revised details and approval from the compliance officer / or concerned department in-charge of registration of clients, the account can be made "ACTIVE" and transaction can take place.

Client can give duly signed request in writing along with the financial information required for trading. On verification of the same the compliance officer / risk department in-charge can authorize the activation of such inactive accounts subject to Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

Consequences of Inactive Account

In case the account of client becomes dormant/ in active, the funds or securities lying with the broker shall be refunded / returned to clients immediately on demand by the client in writing.

Deregistering:

The client may request the trading member to deregister him/itself after clearing his/ its dues towards the trading member. The trading member shall record the request of the client and deactivate the account in the exchange records also.

Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy.