

## **Dormant/Inactive Account Policy**

### **Background:**

SEBI vide circular no. dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

### **Definition:**

Dormant/ Inactive account: Any individual or non-individual account where transaction or any of the below mentioned activity have not been carried out for a period of 2 years.

Activities by the client as mentioned above:-

1. Login by the client to the trading terminal vide web portal, exe, mobile app or any other trading facility as provided to the client.
2. Login by the client to the back office portal as provide to the client.
3. Any request of account updation.
4. Any request by client for duplicated contract note, statement of account or any account related document
5. Request for change in login password for the portals as mentioned in Point 1 and 2.
6. Where client is having demat account linked with the trading. Any transaction is carried out in the demat account such as off-market transfer, IPO allotment, dematerialization etc would be deemed as an activity in the trading account.
7. Any outstanding dues being paid by the client.
8. Any transfer from/to the ledger of the client to/from the designated bank account of the client. (Except any transfer of credit due to corporate action of the securities held in linked demat account).
9. Any other activity as specified by the compliance officer in writing.

### **Consequence of becoming Dormant/Inactive:**

Client will be restrained from trading until reactivation request from the client is processed as per procedure mentioned below.

### **Procedure for implementation of the policy:**

Clients to be segregated in two categories:

- Client registered before implementation of SEBI circular dated August 22, 2011.

Required Process: Execute full KYC in the latest format.

Risk disclosure documents and other contents forming part of Supplement to KYC be sent to the given email id of the client.

- Client registered after implementation of SEBI circular August 22, 2011.

Sub Category 1: Client details need to be modified.

Required Process: Execute CKYC.

In case of change in details not captured in CKYC, such as Bank details, nomination, mandate etc. then accordingly required form to be undertaken.

Requisite supporting documents to be collected and verified.

If there is substantial change in details then full KYC can be undertaken.

Sub Category 2: Client details remain constant.

Required Process: Client to undertake the prescribed form confirming the status quo.

Self certified identification proof such as Pan Card or Aadhar Card or both to be collected.

#### **Common Points for all categories:**

- Collect updated financial details such as Bank Statement, ITR for Individual and Annual report, networth certificate for Non-individual.
- Calling the client over a recorded line confirming the undertaking. (Preferred)
- Collect Ledger Balance Confirmation. (Optional)

#### **Re - activation by Credit:**

All client account can be reactivated by credit transfer of minimum Rs. 500 or to the extent of outstanding debit in the account, whichever is higher.

Conditions to be satisfied:

- Transfer only from Designated Bank Account of the client.
- Deemed to be transfer only upon clearing of cheque/ NEFT.
- Credit by way of corporate action or ledger transfer does not qualify as transfer.

**Re-KYC by E-KYC:-**

Any individual client can undertake the process of Re-KYC by our E-KYC process for reactivation of dormant/inactive account.

**Return of Client Assets:-**

Clients who have opted for running account facility are settled as per their Quarterly/ Monthly in accordance to Exchange/ SEBI guidelines. Whenever a client becomes Dormant/ Inactive as per the conditions stated above, assets of the client such as Rs. 10,000 retained under running account authorization, Bank Guarantee, Fixed Deposit or any other asset as provided by the client for margin to be returned to client as per clients request or upon confirmation with the client.